

SUPPLEMENT NO. 2 TO
PROSPECTUS OF XANADU QUANTUM TECHNOLOGIES LIMITED

This prospectus supplement amends and supplements the prospectus dated May 1, 2026, as supplemented or amended from time to time (the “Prospectus”), which forms a part of our Registration Statement on Form F-1 (Registration Statement No. 333-295256). This prospectus supplement is being filed to update and supplement the information included or incorporated by reference in the Prospectus with the information contained in our Report on Form 6-K, which was furnished to the Securities and Exchange Commission on May 21, 2026 (the “Form 6-K”). Accordingly, we have attached the Form 6-K to this prospectus supplement.

This prospectus supplement updates and supplements the information in the Prospectus and is not complete without, and may not be delivered or utilized except in combination with, the Prospectus, including any amendments or supplements thereto. This prospectus supplement should be read in conjunction with the Prospectus and if there is any inconsistency between the information in the Prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

Our Class B Subordinate Voting Shares are listed on the Nasdaq Global Market (“Nasdaq”) under the symbol “XNDU” and the Toronto Stock Exchange (the “TSX”) under the symbol “XNDU.” On May 20, 2026, the last reported sales prices of the Class B Subordinate Voting Shares on Nasdaq and the TSX were \$14.13 and C\$19.46, respectively.

Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading “Risk Factors” beginning on page 1 of the Annual Report and beginning on page 6 of the Prospectus, and under similar headings in any amendments or supplements to the Prospectus.

None of the Securities and Exchange Commission, any state securities commission or the securities commission or regulatory authority of any Canadian province or territory has approved or disapproved of the securities offered by this prospectus supplement or the Prospectus or determined if the Prospectus or this prospectus supplement is accurate or adequate. Any representation to the contrary is a criminal offense.

This Supplement No. 2 is dated May 21, 2026.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2026

Commission File Number: 001-43205

Xanadu Quantum Technologies Limited
(Translation of registrant's name into English)

777 Bay Street, Toronto, Ontario M5G 2C8
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Entry into a Standby Equity Purchase Agreement

On May 20, 2026 (the “Effective Date”), Xanadu Quantum Technologies Limited, a corporation incorporated under the Business Corporations Act (Ontario) (the “Company”), entered into a standby equity purchase agreement (the “Purchase Agreement”) with YA II PN, Ltd. (“Yorkville”), pursuant to which the Company has the right to sell to Yorkville up to \$300,000,000 of its subordinate voting shares, no par value (the “Subordinate Voting Shares”), subject to certain limitations and conditions set forth in the Purchase Agreement, from time to time during the term of the Purchase Agreement. Sales of Subordinate Voting Shares to Yorkville under the Purchase Agreement, and the timing of any such sales, are at the Company’s option, and the Company is under no obligation to sell any securities to Yorkville under the Purchase Agreement. In accordance with its obligations under the Purchase Agreement, the Company intends to file a registration statement with the U.S. Securities and Exchange Commission (the “SEC”) to register under the Securities Act of 1933, as amended (the “Securities Act”), the resale by Yorkville of Subordinate Voting Shares that the Company may elect, in its sole discretion, to issue and sell to Yorkville under the Purchase Agreement.

Upon the satisfaction of the conditions to Yorkville’s purchase obligation set forth in the Purchase Agreement, including that a registration statement be declared effective by the SEC, the Company will have the right, but not the obligation, from time to time at its sole discretion during the period beginning on the date of the Purchase Agreement and ending upon termination of the Purchase Agreement in accordance with its terms (the “Commitment Period”), to direct Yorkville to subscribe and purchase a specified number of Subordinate Voting Shares (each such sale, an “Advance”) by delivering a written notice to Yorkville (each, an “Advance Notice”). There is no mandatory minimum amount for any Advance and no non-usage fee for not utilizing the full commitment amount or any part thereof. The number of Subordinate Voting Shares the Company may request in any Advance Notice may not exceed the maximum advance amount set forth in the Purchase Agreement and is subject to the limitations described below, including the Exchange Cap (as defined in the Purchase Agreement) and the Ownership Limitation (as defined below).

The per share purchase price Yorkville will pay for the Subordinate Voting Shares (the “Purchase Price”) will equal 97.50% of the Market Price (as defined below), provided that if such price is less than the TSX Minimum Price (as defined below), the Purchase Price shall equal the applicable TSX Minimum Price. The Market Price is defined as the volume weighted average price of the Subordinate Voting Shares on the principal U.S. market on which the Subordinate Voting Shares are listed during the applicable pricing period, which is a one-day pricing period commencing upon Yorkville’s written confirmation of receipt of the applicable Advance Notice and ending at 4:00 p.m. New York City time on the same trading day (unless otherwise agreed by the parties or the pricing period is terminated pursuant to the terms of the Purchase Agreement). The TSX Minimum Price is the volume weighted average price of the Subordinate Voting Shares on the Toronto Stock Exchange (the “TSX”) during the five TSX trading day period immediately preceding the delivery of the applicable Advance Notice, less the maximum permitted discount provided in the TSX Company Manual, converted to U.S. dollars using the exchange rate quoted by the Bank of Canada at the time of submission of such Advance Notice.

The Company will control the timing and amount of any sales of Subordinate Voting Shares to Yorkville. Actual sales of the Company's Subordinate Voting Shares to Yorkville under the Purchase Agreement, if any, will depend on a variety of factors to be determined by the Company from time to time, which may include, among other things, market conditions, the trading price of the Company's Subordinate Voting Shares and determinations by the Company as to the appropriate sources of funding for its business and its operations.

Yorkville will not be obligated to purchase any Subordinate Voting Shares under the Purchase Agreement which, when aggregated with all other Subordinate Voting Shares then beneficially owned by Yorkville and its affiliates (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 13d-3 promulgated thereunder), would result in the beneficial ownership by Yorkville and its affiliates exceeding 4.99% of the then outstanding voting power or number of Subordinate Voting Shares (the “Ownership Limitation”).

The net proceeds under the Purchase Agreement to the Company will depend on the number of Subordinate Voting Shares the Company sells to Yorkville, the timing of such sales, and the prices at which the Company sells such shares to Yorkville. The Company expects that any proceeds received from such sales to Yorkville will be used for working capital and other general corporate purposes.

Yorkville has agreed that it and its affiliates will not engage in any short sales of the Subordinate Voting Shares during the Commitment Period, except that Yorkville may sell a number of Subordinate Voting Shares equal to the number of shares that it is unconditionally obligated to purchase under a pending Advance Notice but has not yet received from the Company or the Company's transfer agent.

The Purchase Agreement will automatically terminate on the earlier of (i) 36 months following the Effective Date or (ii) the date on which Yorkville shall have made payment of Advances pursuant to the Purchase Agreement for Subordinate Voting Shares equal to \$300,000,000 in the aggregate. The Company may terminate the Purchase Agreement at any time upon written notice to Yorkville, provided that (i) there are no outstanding Advance Notices for which Subordinate Voting Shares have yet to be issued and paid for and (ii) the Company has paid all amounts owed to Yorkville pursuant to the Purchase Agreement. The Purchase Agreement may also be terminated at any time by mutual written consent of the parties. Neither the Company nor Yorkville may assign or transfer their respective rights and obligations under the Purchase Agreement, and no provision of the Purchase Agreement may be modified or waived other than by an instrument in writing signed by both parties.

As consideration for Yorkville's commitment to purchase Subordinate Voting Shares at the Company's direction upon the terms and subject to the conditions set forth in the Purchase Agreement, the Company has paid Yorkville a structuring fee in the amount of \$25,000 and is obligated to pay a commitment fee equal to 0.45% of the aggregate commitment amount under the Purchase Agreement (the "Commitment Fee"), which is fully earned upon execution of the Purchase Agreement. At the Company's option, the Company elected to pay the Commitment Fee in cash, with 10% of the gross proceeds from each Advance deducted by Yorkville from the total Purchase Price payable to the Company from each such Advance until the Commitment Fee is paid in full. Any portion of the Commitment Fee that remains unpaid upon the termination of the Purchase Agreement, or upon the twelve-month anniversary of the date of the Purchase Agreement, shall be immediately paid by the Company to Yorkville in cash.

The Purchase Agreement contains customary representations, warranties, conditions and indemnification obligations of the parties. The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of the Purchase Agreement and as of specific dates, were solely for the benefit of the parties thereto and may be subject to limitations agreed upon by the contracting parties.

The Company does not know what the Purchase Price for its Subordinate Voting Shares will be and therefore cannot be certain as to the number of shares it might issue to Yorkville under the Purchase Agreement. Although the Purchase Agreement provides that the Company may sell up to \$300,000,000 of its Subordinate Voting Shares to Yorkville, the actual number of shares issued will depend on the Purchase Price at the time of each Advance.

If the Company elects to issue and sell Subordinate Voting Shares to Yorkville under the Purchase Agreement, the Company must ensure that any such shares are registered for resale under the Securities Act, which could cause additional dilution to the Company's shareholders.

There are substantial risks to the Company's shareholders as a result of the sale and issuance of Subordinate Voting Shares to Yorkville under the Purchase Agreement. These risks include the potential for substantial dilution and significant declines in the Company's share price. Issuances of the Company's Subordinate Voting Shares under the Purchase Agreement will not affect the rights or privileges of the Company's existing shareholders, except that the economic and voting interests of each of the Company's existing shareholders will be diluted as a result of any such issuance. Although the number of Subordinate Voting Shares that the Company's existing shareholders own will not decrease as a result of sales, if any, under the Purchase Agreement, the shares owned by the Company's existing shareholders will represent a smaller percentage of the Company's total outstanding shares after any such issuance to Yorkville.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by the full text of the Purchase Agreement, the form of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

On May 21, 2026, the Company published a press release entitled "Xanadu Announces up to \$300 Million Synthetic At-The-Market Program". A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This report does not constitute an offer to sell or the solicitation of offers to buy any securities of the Company, and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Exhibit Index

Exhibit No.	Description
10.1*	Standby Equity Purchase Agreement, dated May 20, 2026, by and between Xanadu Quantum Technologies Limited and YA II PN, Ltd.
99.1	Xanadu Announces up to \$300 Million Synthetic At-The-Market Program

* Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit.

Forward-Looking Statements

This Report on Form 6-K contains “forward-looking statements” within the meaning of the U.S. federal securities laws and “forward-looking information” within the meaning of applicable Canadian securities laws (collectively, “forward-looking statements”). Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The Company has based these forward-looking statements on current expectations and projections about future events. These statements include: the Program, including its size, the intended use of net proceeds therefrom, expected benefits thereof; the filing of a resale registration statement on Form F-1; the Company’s ability to continue scaling and executing on its long-term roadmap towards fault-tolerant quantum computing and the Company’s objective to strategically and prudently tap the equity market to fund its growth strategy.

These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions, many of which are beyond the control of Xanadu. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause the Company’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such statements.

Such risks and uncertainties include: that Xanadu is pursuing an emerging technology, faces significant technical challenges and may not achieve commercialization or market acceptance; Xanadu’s historical net losses and limited operating history; Xanadu’s expectations regarding future financial performance, capital requirements and unit economics; Xanadu’s use and reporting of business and operational metrics; Xanadu’s competitive landscape; Xanadu’s dependence on members of its senior management and its ability to attract and retain qualified personnel; the potential need for additional future financing; Xanadu’s ability to manage growth and expand its operations; potential future acquisitions or investments in companies, products, services or technologies; Xanadu’s reliance on strategic partners and other third parties; Xanadu’s concentration of revenue in contracts with government or state-funded entities; Xanadu’s ability to maintain, protect and defend its intellectual property rights; risks associated with privacy, data protection or cybersecurity incidents and related regulations; the use, rate of adoption, and regulation of artificial intelligence and machine learning; uncertainty or changes with respect to laws and regulations; uncertainty or changes with respect to taxes, trade conditions and the macroeconomic environment; material weaknesses in Xanadu’s internal control over financial reporting and the Company’s ability to maintain internal control over financial reporting and operate as a public company; the outcome of any legal proceedings or government investigations that may be commenced against Xanadu; failure to realize the anticipated benefits of the business combination with Crane Harbor Acquisition Corp.; the Company’s ability to issue equity or equity-linked securities in the future; risks related to the Program, including the potential for substantial dilution to existing shareholders resulting from the issuance of Class B subordinate voting shares thereunder, the risk that sales of such shares or the perception that such sales may occur, could cause the price of the Company’s Class B subordinate voting shares to decline; and other factors described in the Company’s filings with the SEC and the CSA, which factors are incorporated by reference herein. These forward-looking statements are based on certain assumptions, including that none of the risks identified above materialize; that there are no unforeseen changes to economic and market conditions, and that no significant events occur outside the ordinary course of business. Additional information concerning these and other factors that may impact such forward-looking statements can be found in filings by the Company with the SEC and the CSA, including under the heading “Risk Factors.” If any of these risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. In addition, these statements reflect the expectations, plans and forecasts of Xanadu’s management as of the date of this report; subsequent events and developments may cause their assessments to change. While Xanadu may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so, unless required by applicable securities laws. Accordingly, undue reliance should not be placed upon these statements.

In addition, statements that the Company “believes” and similar statements reflect the Company’s beliefs and opinions on the relevant subject. These statements are based upon information available to the Company as of the date of this report, and while the Company believes such information forms a reasonable basis for such statements, such information may be limited or incomplete, and such statements should not be read to indicate that the Company has conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 21, 2026

Xanadu Quantum Technologies Limited

By: /s/ Christian Weedbrook

Name: Christian Weedbrook

Title: Chief Executive Officer

*Certain identified information marked with [***] has been excluded from the exhibit because it is both not material and is the type that the registrant treats as private or confidential.*

STANDBY EQUITY PURCHASE AGREEMENT

THIS STANDBY EQUITY PURCHASE AGREEMENT (this “Agreement”) dated as of May 20, 2026 is made by and between **YA II PN, LTD.**, a Cayman Islands exempt limited company (the “Investor”), and **XANADU QUANTUM TECHNOLOGIES LIMITED**, a company incorporated under the Business Corporations Act (Ontario) (the “Company”). The Investor and the Company may be referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, the Parties desire that, upon the terms and subject to the conditions contained herein, the Company shall have the right to issue and sell to the Investor, from time to time as provided herein, and the Investor shall subscribe and purchase from the Company, up to \$300 million of the Company’s Class B Subordinate Voting Shares (the “Subordinate Voting Shares”), subject to the Exchange Cap (as defined below), to the extent applicable, at a Purchase Price (as defined in Annex I hereto) that shall be determined in accordance with this Agreement;

WHEREAS, the Subordinate Voting Shares are listed for trading on the Nasdaq Global Market (“Nasdaq”) and the Toronto Stock Exchange (the “TSX”) under the symbol “XNDU;”

WHEREAS, the offer and sale of the Subordinate Voting Shares issuable hereunder will be made in reliance upon (i) an exemption from registration pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”), or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to any or all of the transactions to be made hereunder, and (ii) an exemption from the prospectus requirements of the *Securities Act* (Ontario) under Section 2.3 of the Ontario Securities Commission Rule 72-503 – *Distributions Outside Canada* (“OSC Rule 72-503”), subject to compliance with those requirements; and

WHEREAS, in consideration of the Investor’s execution and delivery of this Agreement, the Company shall issue to the Investor the Commitment Shares pursuant to and in accordance with Section 11.04.

NOW, THEREFORE, the Parties hereto agree as follows:

Article I. Certain Definitions

Capitalized terms used in this Agreement shall have the meanings ascribed to such terms in Annex I hereto, which is hereby made a part hereof, or as otherwise set forth in this Agreement.

Article II. Advances

Section 2.01 Advances; Mechanics. Upon the terms and subject to the conditions of this Agreement, during the Commitment Period, the Company, at its sole discretion, shall have the right, but not the obligation, to issue and sell to the Investor (subject to the consummation of the applicable Closing for such Advance), and the Investor shall subscribe and purchase from the Company, Advance Shares by the delivery to the Investor of Advance Notices on the following terms:

- (a) Advance Notice. At any time during the Commitment Period the Company may require the Investor to purchase Subordinate Voting Shares by delivering an Advance Notice to the Investor, subject to the satisfaction or waiver by the Investor of the conditions set forth in Annex II hereto, and in accordance with the following provisions:
 - (i) The Company shall, in its sole discretion, select (a) the number of Advance Shares it desires to issue and sell to the Investor in each Advance Notice, not to exceed the Maximum Advance Amount (unless otherwise agreed by the Investor) and (b) the time it desires to deliver each Advance Notice.
 - (ii) There shall be no mandatory minimum Advances and there shall be no non-usage fee for not utilizing the Commitment Amount or any part thereof, by the Company.

- (b) Date of Delivery of Advance Notice. Advance Notices shall be delivered in accordance with the instructions set forth on the bottom of Exhibit A attached hereto. An Advance Notice shall only be delivered on a Trading Day and shall be deemed delivered on the day such notice is received by the Investor by email. Upon receipt of an Advance Notice, the Investor shall promptly (and in no event more than one-half hour after receipt) provide written confirmation (which may be by e-mail) of receipt of such Advance Notice, and which confirmation shall confirm the applicable Pricing Period.
- (c) Advance Limitations, Regulatory. Regardless of the number of Advance Shares requested by the Company in an Advance Notice, the final number of Advance Shares to be issued and sold pursuant to such Advance Notice shall be reduced (if at all) in accordance with each of the following limitations:
- (i) Ownership Limitation; Commitment Amount. At the request of the Company, the Investor shall promptly (but no later than the next Business Day after the Company's request) inform the Company in advance of the number of Subordinate Voting Shares the Investor and each of its Affiliates beneficially own. Notwithstanding anything to the contrary contained in this Agreement, the Investor shall not be obligated to purchase or acquire, and shall not purchase or acquire, any Subordinate Voting Shares under this Agreement which, when aggregated with all other Subordinate Voting Shares beneficially owned by the Investor and its Affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder), would result in the beneficial ownership by the Investor and its Affiliates (on an aggregated basis) of a number of Subordinate Voting Shares exceeding 4.99% of the then outstanding voting power or number of Subordinate Voting Shares (the "Ownership Limitation"). Upon the request of the Investor, the Company shall promptly (but no later than the next Business Day on which the transfer agent for the Subordinate Voting Shares is open for business) confirm orally or in writing to the Investor the number of Subordinate Voting Shares then outstanding. In connection with each Advance Notice delivered by the Company, any portion of an Advance that would (i) cause the Investor to exceed the Ownership Limitation or (ii) cause the aggregate number of Shares issued and sold to the Investor hereunder to exceed the Commitment Amount shall automatically be withdrawn with no further action required by the Company, and such Advance Notice shall be deemed automatically modified to reduce the number of Advance Shares requested by an amount equal to such withdrawn portion; provided that in the event of any such automatic withdrawal and automatic modification, the Investor will promptly notify the Company of such event.
 - (ii) Registration Limitation. In no event shall an Advance exceed the number of Subordinate Voting Shares registered in respect of the transactions contemplated hereby under the Registration Statement then in effect (the "Registration Limitation"). In connection with each Advance Notice, any portion of an Advance that would exceed the Registration Limitation shall automatically be withdrawn with no further action required by the Company and such Advance Notice shall be deemed automatically modified to reduce the aggregate amount of the requested Advance by an amount equal to such withdrawn portion; provided that in the event of any such automatic withdrawal and automatic modification, the Investor will promptly notify the Company of such event.
 - (iii) Compliance with Rules of Principal Markets. Notwithstanding anything to the contrary herein, the Company shall not effect any sales under this Agreement and the Investor shall not have the obligation to purchase Subordinate Voting Shares under this Agreement to the extent (but only to the extent) that after giving effect to such purchase and sale the aggregate number of Subordinate Voting Shares issued under this Agreement would exceed 8,652,558 (representing approximately 19.99% of the aggregate number of Subordinate Voting Shares issued and outstanding as of the Effective Date of this Agreement (subject to adjustment for any share splits, combinations or the like and not reflecting any Subordinate Voting Shares issuable pursuant to warrants of the Company exercised on the date hereof or the Commitment Shares to be issued hereunder)), calculated in accordance with the rules of the Principal Markets, which number shall be reduced, on a share-for-share basis, by the number of Subordinate Voting Shares issued or issuable pursuant to any transaction or series of transactions that may be aggregated with the transactions contemplated by this Agreement under the applicable rules of the Principal Markets (such maximum number of shares, the "Exchange Cap"); *provided that*, the Exchange Cap will not apply if (a) the Company's shareholders have approved the issuance of Subordinate Voting Shares pursuant to this Agreement in excess of the Exchange Cap in accordance with the rules of each Principal U.S. Market, or (b) the Average Price of all applicable sales of Subordinate Voting Shares hereunder (including any sales covered by an Advance Notice that has been delivered prior to the determination of whether this clause (b) applies) equals or exceeds (x) \$13.17 per share (which represents the lower of (i) the Nasdaq Official Closing Price (as reflected on Nasdaq.com) immediately preceding the signing of this Agreement; or (ii) the average Nasdaq Official Closing Price for the five Trading Days immediately preceding the signing of this Agreement), and (y) the "market price" in accordance with the requirements of the TSX Company Manual. In connection with each Advance Notice, any portion of an Advance that would exceed the Exchange Cap shall automatically be withdrawn with no further action required by the Company and such Advance Notice shall be deemed automatically modified to reduce the aggregate amount of the requested Advance by an amount equal to such withdrawn portion in respect of each Advance Notice. The restrictions of the Principal U.S. Market under the Exchange Cap shall not apply if the Company takes all actions required pursuant to Nasdaq Rule 5615(a)(3) to duly and validly rely on the exemption for foreign private issuers from applicable rules and regulations of the Nasdaq by adopting the home country practice (the "Home Country Practice") in connection with the transactions contemplated hereunder (including an exemption from any Nasdaq rules that would otherwise require seeking shareholder approval in respect of such transactions) which allows the Company to issue the Subordinate Voting Shares to the Investor in connection with this Agreement without regard to the limitations imposed by Nasdaq Rule 5635(d). For the avoidance of doubt, the Home Country Practice applies solely to the rules of the Principal U.S. Market and does not affect any Exchange Cap restrictions imposed by the TSX.

- (iv) Volume Threshold. In connection with an Advance, if the total number of Subordinate Voting Shares traded on the Principal U.S. Market during the applicable Pricing Period (not including any Subordinate Voting Shares traded during such time as the Intra-Day VWAP was below either the TSX Minimum Price or the Minimum Acceptable Price), is less than the Volume Threshold, then the number of Advance Shares issued and sold pursuant to such Advance Notice shall be reduced to the greater of (a) 30% of the trading volume of the Subordinate Voting Shares on the Principal U.S. Market during such Pricing Period (not including any Subordinate Voting Shares traded during such time as the Intra-Day VWAP was below either the TSX Minimum Price or the Minimum Acceptable Price) as reported by Bloomberg L.P., or (b) the number of Subordinate Voting Shares sold by the Investor during such Pricing Period (such reduced number of Advance Shares, the "Volume Reduced Advance"), but in each case not to exceed the amount requested in the Advance Notice.
- (v) TSX Minimum Price. If at any time during a Pricing Period the Intra-Day VWAP of the Subordinate Voting Shares on the Principal U.S. Market is below the TSX Minimum Price for a period of at least ten minutes, then the applicable Pricing Period shall terminate, and the Investor will stop all further sales of Subordinate Voting Shares in respect of such Advance Notice. The number of Advance Shares issued and sold pursuant to such Advance Notice shall be reduced to the number of Subordinate Voting Shares sold by the Investor during such Pricing Period prior to its termination, if such number is less than the number of Subordinate Voting Shares requested in the Advance Notice (such reduced number of Advance Shares, the "TSX Reduced Advance"). The Company shall not deliver an Advance Notice at any time where the TSX Minimum Price in respect of such Advance Notice would be greater than 95% of the market price of the Subordinate Voting Shares on the Principal U.S. Market at the time of the delivery of such Advance Notice.
- (vi) Minimum Acceptable Price. With respect to each Advance Notice, the Company may notify the Investor of the Minimum Acceptable Price with respect to such Advance by indicating a Minimum Acceptable Price on such Advance Notice. If no Minimum Acceptable Price is specified in an Advance Notice, then no Minimum Acceptable Price shall be in effect in connection with such Advance. If at any time during a Pricing Period the Intra-Day VWAP of the Subordinate Voting Shares on the Principal U.S. Market is below the Minimum Acceptable Price for a period of at least ten minutes, then the applicable Pricing Period shall terminate, and the Investor will stop all further sales of Subordinate Voting Shares in respect of such Advance Notice. The number of Advance Shares issued and sold pursuant to such Advance Notice shall be reduced to the number of Subordinate Voting Shares sold by the Investor during such Pricing Period prior to its termination, if such number is less than the number of Subordinate Voting Shares requested in the Advance Notice (such reduced number of Advance Shares, the "MAP Reduced Advance") and collectively with the Volume Reduced Advance and the TSX Reduced Advance, the "Reduced Advance").
- (vii) TSX Personal Information Form. Until such time as the Investor shall have submitted a Personal Information Form and obtained approval thereof from the TSX, the Company shall not deliver an Advance Notice at any time if upon purchase of the Advance Shares specified in such Advance Notice, the Investor would hold securities of the Company representing 10.00% or more of the voting rights attached to all outstanding voting securities of the Company. The Investor shall promptly submit a Personal Information Form to the TSX and cooperate with the TSX in order to obtain approval thereof, upon holding securities of the Company representing 9.50% or more of the voting rights attached to all outstanding voting securities of the Company.
- (d) Unconditional Contract. Notwithstanding any other provision in this Agreement, the Company and the Investor acknowledge and agree that upon the Investor's receipt of a valid Advance Notice from the Company the Parties shall be deemed to have entered into an unconditional contract binding on both Parties for the purchase and sale of the applicable number of Advance Shares pursuant to such Advance Notice in accordance with the terms of this Agreement and (i) subject to Applicable Laws and (ii) subject to Section 3.10 and Section 6.18, the Investor may sell Subordinate Voting Shares during the Pricing Period for such Advance Notice (including with respect to any Advance Shares subject to such Pricing Period); *provided that*, if the Company notifies the Investor by e-mail that it wishes to stop all further sales prior to the end of the Pricing Period in respect of an outstanding Advance Notice, the applicable Pricing Period shall terminate, the Investor will stop all further sales, and that Advance Notice will be deemed to be terminated (other than in respect to such number of Subordinate Voting Shares sold by the Investor prior to such termination).

Section 2.02 Closings. The closing of each Advance and each sale, issuance and purchase of Advance Shares (each, a “Closing”) shall take place as soon as practicable on or after each Advance Date in accordance with the procedures set forth below. The Parties acknowledge that the Purchase Price is not known at the time the Advance Notice is delivered (at which time the Investor is irrevocably bound to purchase the Advance Shares covered by the applicable Advance Notice) but shall be determined on each Closing based on the daily prices of the Subordinate Voting Shares that are the inputs to the determination of the Purchase Price as set forth further below (provided that for the purposes of determining the daily VWAP for any Trading Day, the Parties may use only a specified period within a Trading Day upon mutual consent), subject to the TSX Minimum Price. In connection with each Closing, the Company and the Investor shall fulfill each of its obligations as set forth below:

- (a) On each Advance Date, the Investor shall deliver to the Company a written document, in the form attached hereto as Exhibit B (each a “Settlement Document”), setting forth the final number of Advance Shares to be purchased by the Investor (taking into account any adjustments pursuant to Section 2.01), the Market Price, the Purchase Price, the aggregate proceeds to be paid by the Investor to the Company, and a report by Bloomberg, L.P. indicating the VWAP during the Pricing Period (or, if not reported on Bloomberg, L.P., another reporting service reasonably agreed to by the Parties), in each case in accordance with the terms and conditions of this Agreement.
- (b) Promptly after receipt of the Settlement Document with respect to each Advance (and, in any event, not later than one Trading Day after such receipt): (i) the Investor shall pay to the Company the aggregate purchase price of the Advance Shares (as set forth in the Settlement Document) in cash in immediately available funds to an account designated by the Company in writing and transmit notification to the Company that such funds transfer has been requested, and (ii) the Company will, or will cause its transfer agent to, electronically transfer such number of Advance Shares to be purchased by the Investor (as set forth in the Settlement Document) by crediting the Investor’s account or its designee’s account at the Depository Trust Company through its Deposit Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the parties hereto, and transmit notification to the Investor that such share transfer has been requested. No fractional shares shall be issued, and any fractional shares that would otherwise be issued in connection with an Advance shall be rounded to the next higher whole number of shares. To facilitate the transfer of the Subordinate Voting Shares by the Investor, the Subordinate Voting Shares issued to the Investor will not bear any restrictive legends so long as there is an effective Registration Statement covering the resale of such Subordinate Voting Shares or resale of such Subordinate Voting Shares in compliance with Rule 144 under the Securities Act (it being understood and agreed (i) by the Investor that notwithstanding the lack of restrictive legends, the Investor may only sell such Subordinate Voting Shares pursuant to the Plan of Distribution set forth in the Prospectus included in the applicable Registration Statement and otherwise in compliance with the requirements of the Securities Act (including any applicable prospectus delivery requirements) or pursuant to an available exemption), and (ii) by the Investor that the Company and its legal counsel may rely on the Investor’s acknowledgment included in the foregoing item (i) in this sentence in connection with the issuance of the Subordinate Voting Shares to the Investor and the delivery of instructions and opinions to the transfer agent or the Investor.
- (c) On or prior to the Advance Date, each of the Company and the Investor shall deliver to the other all documents, instruments and writings expressly required to be delivered by either of them pursuant to this Agreement in order to implement and effect the transactions contemplated herein.
- (d) Notwithstanding anything to the contrary in this Agreement, if on any day during the Pricing Period (i) the Company notifies the Investor that a Material Outside Event has occurred, or (ii) the Company notifies the Investor of a Black Out Period, the Parties agree that the pending Advance shall end and the final number of Advance Shares to be purchased by the Investor at the Closing for such Advance shall be equal to the number of Subordinate Voting Shares sold by the Investor during the applicable Pricing Period prior to the notification from the Company of a Material Outside Event or Black Out Period.

Section 2.03 Hardship.

- (a) In the event the Company fails to perform its obligations as mandated in this Agreement after the Investor’s receipt of an Advance Notice, the Company agrees that in addition to and in no way limiting the rights and obligations set forth in Article V hereto and in addition to any other remedy to which the Investor is entitled at law or in equity, including, without limitation, specific performance, it is accordingly agreed that the Investor shall be entitled to an injunction or injunctions to prevent such breaches of this Agreement and to specifically enforce (subject to Applicable Laws and the rules of the Principal U.S. Market and the TSX), without the posting of a bond or other security, the terms and provisions of this Agreement.
- (b) In the event the Company provides an Advance Notice and the Investor fails to perform its obligations as mandated in Section 2.02, the Investor agrees that in addition to and in no way limiting the rights and obligations set forth in Article V hereto and in addition to any other remedy to which the Company is entitled at law or in equity, including, without limitation, specific performance, it is accordingly agreed that the Company shall be entitled to an injunction or injunctions to prevent such breaches of this Agreement and to specifically enforce (subject to Applicable Laws and the rules of the Principal U.S. Market and the TSX), without the posting of a bond or other security, the terms and provisions of this Agreement.

Section 2.04 Completion of Resale Pursuant to the Registration Statement. After the Investor has purchased the full Commitment Amount and has completed the subsequent resale of the full Commitment Amount pursuant to the Registration Statement, Investor will notify the Company in writing (which may be by e-mail) that all subsequent resales are completed and the Company will be under no further obligation to maintain the effectiveness of the Registration Statement. Additionally, provided the Investor does not hold any Advance Shares, the Company shall have no further obligation to maintain the effectiveness of any Registration Statement after the 90th day following the earlier to occur of the latest Closing that has occurred and the termination of this Agreement in accordance with its terms.

Section 2.05 Press Release. Promptly following the execution of this Agreement, the Company shall issue a press release announcing the entry into this Agreement.

Section 2.06 Pre-Advances. On a periodic basis and at the mutual consent of the Investor and the Company, the Investor shall pre-advance capital against the Commitment Amount pursuant to promissory notes of up to \$100 million, on mutually agreeable terms and conditions. To the extent the aggregate purchase price to be paid pursuant to Section 2.02(b) is netted against such pre-advance, the amount owing to the Investor pursuant to the applicable promissory note(s) shall be reduced by the Purchase Price in the Settlement Document. At no time will Advance Shares be issued to the Investor in satisfaction of a pre-advance of capital at a price that is below the TSX Minimum Price.

Article III. Representations and Warranties of the Investor

The Investor represents and warrants to the Company, as of the date hereof, as of each Advance Notice Date and as of each Advance Date that:

Section 3.01 Organization and Authorization. The Investor is duly organized, validly existing and in good standing under the laws of the Cayman Islands and has the requisite corporate power and authority to enter into and perform its obligations under the Transaction Documents to which it is a party and to purchase or acquire the Shares in accordance with the terms hereof. The decision to invest and the execution and delivery of the Transaction Documents to which it is a party by the Investor, the performance by the Investor of its obligations hereunder and the consummation by the Investor of the transactions contemplated hereby have been duly authorized and require no further consent or authorization or other proceedings on the part of the Investor. The undersigned has the right, power and authority to execute and deliver the Transaction Documents to which it is a party and all other instruments on behalf of the Investor or its shareholders. This Agreement and the Transaction Documents to which it is a party have been duly executed and delivered by the Investor and, assuming the execution and delivery hereof and acceptance thereof by the Company, will constitute the legal, valid and binding obligations of the Investor, enforceable against the Investor in accordance with its terms.

Section 3.02 Evaluation of Risks. The Investor has such knowledge and experience in financial, tax and business matters as to be capable of evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Shares of the Company and of protecting its interests in connection with the transactions contemplated hereby. The Investor acknowledges and agrees that its investment in the Company involves a high degree of risk, and that the Investor may lose all or a part of its investment.

Section 3.03 No Legal, Investment or Tax Advice from the Company. The Investor acknowledges that it had the opportunity to review the Transaction Documents and the transactions contemplated by the Transaction Documents with its own legal counsel and investment and tax advisors. The Investor is relying solely on such counsel and advisors and not on any statements or representations of the Company or any of the Company's representatives or agents for legal, tax, investment or other advice with respect to the Investor's acquisition of Shares hereunder, the transactions contemplated by this Agreement or the laws of any jurisdiction, and the Investor acknowledges that the Investor may lose all or a part of its investment.

Section 3.04 Investment Purpose. The Investor is acquiring the Shares for its own account, for investment purposes and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under or exempt from registration requirements of the Securities Act; provided, however, that by making the representations herein, the Investor does not agree, or make any representation or warranty, to hold any of the Shares for any minimum or other specific term and reserves the right to dispose of the Shares at any time in accordance with, or pursuant to, a Registration Statement filed pursuant to this Agreement or an applicable exemption under the Securities Act. The Investor does not presently have any agreement or understanding, directly or indirectly, with any Person to sell or distribute any of the Shares. The Investor is acquiring the Shares hereunder in the ordinary course of its business. The Investor acknowledges that it will be disclosed as an "underwriter" and a "selling shareholder" in each Registration Statement and in any prospectus contained therein to the extent required by applicable law and to the extent the prospectus is related to the resale of Registrable Securities. In addition, the Investor is acquiring the Commitment Shares for its own account and not with a view towards the public sale or distribution thereof. The Investor understands that the Commitment Shares have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available.

Section 3.05 Investor Status. The Investor acknowledges that it (i)(1) is an institutional “Accredited Investor” as that term is defined in Rule 501(a) under the Securities Act or (2) is a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act), and (ii) to the extent the Investor is acquiring the Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a qualified institutional buyer or an accredited investor and the Investor has full investment discretion with respect to each such account, and the full power and authority to make the acknowledgments, representations and agreements herein on behalf of each owner of each such account. The Investor is not an entity formed for the specific purpose of acquiring the Shares.

Section 3.06 Institutional Account. The Investor acknowledges that it (i) is an institutional account as defined in FINRA Rule 4512(c) and (ii) has exercised independent judgment in evaluating its participation in the purchase of the Shares.

Section 3.07 Reliance on Exemptions. The Investor understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and exemptions from the prospectus requirements of applicable Canadian securities laws and that the Company is relying in part upon the truth and accuracy of, and the Investor’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein in order to determine the availability of such exemptions and the eligibility of the Investor to acquire the Shares.

Section 3.08 Information. The Investor and its advisors (and its counsel), if any, have been furnished with all materials relating to the business, finances and operations of the Company and information the Investor deemed material to making an informed investment decision. The Investor and its advisors (and its counsel), if any, have been afforded the opportunity to ask questions of the Company and its management and have received answers to such questions. Neither such inquiries nor any other due diligence investigations conducted by such Investor or its advisors (and its counsel), if any, or its representatives shall modify, amend or affect the Investor’s right to rely on the Company’s representations and warranties contained in this Agreement. The Investor acknowledges and agrees that the Company has not made to the Investor, and the Investor acknowledges and agrees it has not relied upon, any representations and warranties of the Company, its employees or any third party other than the representations and warranties of the Company contained in this Agreement. The Investor understands that its investment involves a high degree of risk. The Investor has sought such accounting, legal and tax advice, as it has considered necessary to make an informed investment decision with respect to the transactions contemplated hereby.

Section 3.09 Not an Affiliate. The Investor is not an officer, director or a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Company or any “Affiliate” of the Company (as that term is defined in Rule 405 promulgated under the Securities Act).

Section 3.10 Trading Activities. The Investor’s trading activities with respect to the Shares shall be in compliance with all applicable securities laws, rules and regulations and the rules and regulations of the Principal U.S. Market.

Section 3.11 No Prior Short Sales. The Investor has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with the Investor, engaged in any transactions in the securities of the Company (including, without limitation, any “short sales” (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) involving the Company’s securities) during the period commencing as of the time that the Investor first contacted the Company or the Company’s agents regarding the specific investment in the Company contemplated by this Agreement and ending immediately prior to the execution of this Agreement by the Investor.

Section 3.12 Resale of Shares. The Investor represents, warrants and covenants that it will resell the Shares only pursuant to (i) a Registration Statement in which the resale of such Shares is registered under the Securities Act, in a manner described under the caption “Plan of Distribution” in such Registration Statement, and in a manner otherwise in material compliance with all applicable federal and state securities laws, rules and regulations, or (ii) pursuant to an exception or exemption from the registration provisions of the Securities Act.

Section 3.13 Availability of Funds. The Investor has, and at each Advance Date will have, sufficient funds available to enable it to make all required payments pursuant to the terms of this Agreement and in connection with the transactions contemplated hereby.

Section 3.14 Sanctions Matters. Neither the Investor nor, to the knowledge of the Investor, any director, officer or controlled affiliate of the Investor, is a Person that is, or is owned or controlled by a Person that is (i) the target of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Asset Control ("OFAC"), the United Nations Security Council, the European Union, His Majesty's Treasury, the Government of Canada or other relevant sanctions authorities, including, without limitation, designation on OFAC's Specially Designated Nationals and Blocked Persons List or OFAC's Foreign Sanctions Evaders List or other relevant sanctions authority (collectively, "Sanctions"), or (ii) located, organized or resident in a country or territory that is the subject of Sanctions that broadly prohibit dealings with that country or territory (currently including, the Crimea, Zaporizhzhia and Kherson regions of Ukraine, the Donetsk People's Republic and Luhansk People's Republic in Ukraine, Cuba, Iran, North Korea, Russia, Sudan and Syria (the "Sanctioned Countries")).

Section 3.15 General Solicitation. Neither the Investor, nor any of its affiliates, nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer or sale of the Shares by the Investor. The Investor is not purchasing or acquiring the Shares as a result of any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer or sale of the Shares.

Section 3.16 Jurisdiction. The Investor (A) is a Cayman Islands exempt limited company; (B) made the decision to purchase the Shares and enter into this Agreement outside Canada; and (C) is resident in New Jersey, United States.

Section 3.17 Proceeds of Crime. The aggregate purchase price to be paid by the Investor is not derived in whole or in part from proceeds of crime.

Section 3.18 Transfer or Resale. Investor understands that the Shares have not been qualified for distribution by prospectus in any jurisdiction of Canada, and may not be offered for sale, sold, assigned or transferred in any jurisdiction of Canada except pursuant to a prospectus or exemption from the prospectus requirement under applicable securities laws in Canada. The Investor covenants and agrees that it shall not directly or indirectly make any offers or sales of securities in connection with this Agreement directly to any person whom, to the Investor's knowledge, is (A) a person resident or located in a jurisdiction of Canada, (B) a person acquiring such securities for the benefit of another person resident or located in a jurisdiction of Canada, or (C) on any "marketplace" (as such term is defined in National Instrument 21-101 – *Marketplace Operation*) in Canada. The Investor shall take all further steps reasonably required to ensure compliance with the provisions of OSC Rule 72-503.

Article IV. Representations and Warranties of the Company

Except as set forth in the SEC Documents, the Company represents and warrants to the Investor that, as of the date hereof, each Advance Notice Date and each Advance Date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct as written as of such certain date):

Section 4.01 Organization and Qualification. The Company and each of its Subsidiaries are entities duly organized and validly existing and in good standing under the laws of their respective jurisdiction of organization, and have the requisite power and authority to own their properties and to carry on their business as now being conducted. Each of the Company and its Subsidiaries is duly qualified to do business (to the extent applicable) and is in good standing (to the extent applicable) in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.02 Authorization, Enforcement, Compliance with Other Instruments. The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to issue the Shares in accordance with the terms hereof and thereof. Other than any shareholder approval required for any issuance of the Subordinate Voting Shares exceeding the Exchange Cap hereunder and to the extent the Company is not eligible to rely on the Home Country Practice, the execution and delivery by the Company of this Agreement and the other Transaction Documents to which it is a party, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Shares) have been or (with respect to consummation) will be duly authorized by the Company's board of directors and no further consent or authorization will be required by the Company, its board of directors or its shareholders. This Agreement and the other Transaction Documents to which the Company is a party have been (or, when executed and delivered, will be) duly executed and delivered by the Company and, assuming the execution and delivery thereof and acceptance by the Investor, constitute (or, when duly executed and delivered, will be) the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or equity and (iii) except as rights to indemnity and contribution may be limited by Applicable Laws.

Section 4.03 Authorization of the Shares. The Shares to be issued under this Agreement have been, or with respect to Shares to be purchased by the Investor pursuant to an Advance Notice, will be, when issued and delivered pursuant to the terms approved by the board of directors of the Company, against payment therefor as provided herein, duly and validly authorized and issued and fully paid and nonassessable, free and clear of any pledge, lien, encumbrance, security interest or other claim, including any statutory or contractual preemptive rights, resale rights, rights of first refusal or other similar rights, and will be registered pursuant to Section 12 of the Exchange Act. The Shares, when issued, will conform in all material respects to the description thereof set forth in or incorporated into the Prospectus.

Section 4.04 No Conflict. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Subordinate Voting Shares) will not (i) result in a violation of the articles of incorporation or other organizational documents of the Company (with respect to consummation, as the same may be amended prior to the date on which any of the transactions contemplated hereby are consummated), (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or its Subsidiaries or by which any property or asset of the Company or its Subsidiaries is bound or affected except, in the case of clause (ii) or (iii) above, to the extent such violations have not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.05 SEC Documents; Financial Statements. Since the Company has been subject to the requirements of Section 12 of the Exchange Act, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the Exchange Act, including, without limitation, the Current Report, each Registration Statement, as the same may be amended from time to time, the Prospectus contained therein and each Prospectus Supplement thereto, and all information contained in such filings and all documents and disclosures that have been or may in the future be incorporated by reference therein (all such documents hereinafter referred to as the “SEC Documents”) and all such filings required to be filed within the last 12 months (or since the Company has been subject to the requirements of Section 12 of the Exchange Act, if shorter) have been made on a timely basis (giving effect to permissible extensions in accordance with Rule 12b-25 under the Exchange Act). The Company has delivered or made available to the Investor through the SEC’s website at <http://www.sec.gov>, true and complete copies of the SEC Documents, as applicable. Except as disclosed in amendments or subsequent filings to the SEC Documents, as of its filing date (or, if amended or superseded by a filing prior to the date hereof, on the date of such amended or superseded filing), each of the SEC Documents complied in all material respects with the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and did not contain any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 4.06 Financial Statements. The financial statements of the Company included or incorporated by reference (if applicable) in the SEC Documents, together with the related notes and schedules, present fairly, in all material respects, the financial position of the Company and the Subsidiaries as of the dates indicated and the consolidated results of operations, cash flows and changes in shareholders’ equity of the Company for the periods specified and have been prepared in compliance in all material respects with the requirements of the Securities Act and Exchange Act and in conformity in all material respects with generally accepted accounting principles in the United States (“GAAP”), in each case as in effect at the time of filing, applied on a consistent basis (except for (i) such adjustments to accounting standards and practices as are noted therein, (ii) in the case of unaudited interim financial statements, to the extent such financial statements may not include footnotes required by GAAP or may be condensed or summary statements, (iii) such adjustments which are not material, either individually or in the aggregate, (iv) as may be otherwise specified in such financial statements or notes thereto, and (v) ordinary course, year-end audit adjustments) during the periods involved; the other financial and statistical data with respect to the Company and the Subsidiaries contained or incorporated by reference (if applicable) in the SEC Documents are accurately and fairly presented in all material respects and prepared on a basis consistent with the financial statements and books and records of the Company; there are no financial statements (historical or pro forma) that are required to be included or incorporated by reference (if applicable) in the SEC Documents that are not included or incorporated by reference (if applicable) as required; the Company does not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not described in the SEC Documents; and all disclosures contained or incorporated by reference (if applicable) in the SEC Documents regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the SEC) comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Securities Act, to the extent applicable. The interactive data in eXtensible Business Reporting Language included or incorporated by reference (if applicable) in the SEC Documents has been prepared in all material respects in accordance with the SEC’s rules and guidelines applicable thereto.

Section 4.07 Registration Statement and Prospectus. Each Registration Statement and the offer and sale of Shares as contemplated hereby, if and when filed, will meet the requirements of Rule 415 under the Securities Act and comply in all material respects with said Rule. Any statutes, regulations, contracts or other documents that are required to be described in a Registration Statement or a Prospectus, or any amendment or supplement thereto, or to be filed as exhibits to a Registration Statement have been so described or filed. Copies of each Registration Statement, any Prospectus, and any such amendments or supplements thereto and all documents incorporated by reference (if applicable) therein that were filed with the SEC on or prior to the date of this Agreement have been delivered, or are available through EDGAR, to the Investor and its counsel. The Company has not distributed and, prior to the later to occur of each Advance Date and completion of the distribution of the Shares, will not distribute any offering material in connection with the offering or sale of the Shares other than a Registration Statement, the Prospectus contained therein, and any required prospectus supplement.

Section 4.08 No Misstatement or Omission. Each Registration Statement, when it became or becomes effective, and any Prospectus, on the date of such Prospectus or any amendment or supplement thereto, conformed and will conform in all material respects with the requirements of the Securities Act. At each Advance Notice Date and applicable Advance Date, the Registration Statement, and the Prospectus, each as of such date, will conform in all material respects with the requirements of the Securities Act. Each Registration Statement, when it became or becomes effective, did not, and will not, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Each Prospectus did not, or will not, include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If applicable, the documents incorporated by reference in a Prospectus or any Prospectus Supplement did not, and any further documents filed and incorporated by reference therein will not, when filed with the SEC, contain an untrue statement of a material fact or omit to state a material fact required to be stated in such document or necessary to make the statements in such document, in light of the circumstances under which they were made, not misleading. The foregoing shall not apply to statements in, or omissions from, any such document made in reliance upon, and in conformity with, information furnished to the Company by the Investor specifically for use in the preparation thereof.

Section 4.09 Conformity with Securities Act and Exchange Act. Each Registration Statement, each Prospectus, or any amendment or supplement thereto, and the documents incorporated by reference (if applicable) in each Registration Statement, Prospectus or any amendment or supplement thereto, when such documents were or are filed with the SEC under the Securities Act or the Exchange Act or became or become effective under the Securities Act, as the case may be, conformed or will conform in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable.

Section 4.10 Equity Capitalization.

- (a) As of the date hereof, the Company's share capital consists of an unlimited number of Class A Multiple Voting Shares ("Multiple Voting Shares"), an unlimited number of Subordinate Voting Shares and an unlimited number of Preferred Shares, issuable in series, of which 255,226,928 Multiple Voting Shares are outstanding, 43,284,436 Subordinate Voting Shares are outstanding and no Preferred Shares are outstanding.
- (b) The Subordinate Voting Shares are registered pursuant to Section 12(b) of the Exchange Act and are currently listed on a Principal U.S. Market under the trading symbol "XNDU." The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Subordinate Voting Shares under the Exchange Act, delisting the Subordinate Voting Shares from the Principal U.S. Market, nor has the Company received any notification that the SEC or the Principal U.S. Market is contemplating terminating such registration or listing. To the Company's knowledge, it is in compliance in all material respects with all applicable listing requirements of the Principal U.S. Market.
- (c) Existing Securities; Obligations. Except as disclosed in the SEC Documents: (A) none of the Company's shares, interests or share capital is subject to preemptive rights or any other similar rights or liens suffered or permitted by the Company; (B) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or share capital of the Company, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional shares, interests or share capital of the Company or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or share capital of the Company; (C) there are no agreements or arrangements under which the Company is obligated to register the sale of any of their securities under the Securities Act (except pursuant to this Agreement); (D) there are no outstanding securities or instruments of the Company which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company is or may become bound to redeem a security of the Company; (E) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Shares; and (F) the Company has not entered into any Variable Rate Transaction, except Variable Rate Transactions which may be entered into with federal, provincial and municipal governments in Canada.

Section 4.11 Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and rights, if any, necessary to conduct their respective businesses as now conducted, except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The Company and its Subsidiaries have not received written notice of any infringement by the Company or its Subsidiaries of trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, or trade secrets, except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. To the knowledge of the Company, there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against the Company or its Subsidiaries regarding trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secret or other infringement; and, except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, the Company is not aware of any facts or circumstances which might give rise to any of the foregoing.

Section 4.12 Employee Relations. Neither the Company nor any of its Subsidiaries is involved in any labor dispute nor, to the knowledge of the Company or any of its Subsidiaries, has any such dispute threatened, in each case as is reasonably likely to cause a Material Adverse Effect.

Section 4.13 Environmental Laws. The Company and its Subsidiaries (i) have not received written notice alleging any failure to comply in all material respects with all Environmental Laws (as defined below), (ii) have received all material permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received written notice alleging any failure to comply with all terms and conditions of any such permit, license or approval, except, in each of the foregoing clauses (i), (ii) and (iii), as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term "Environmental Laws" means all applicable federal, state and local laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

Section 4.14 Title. Except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, the Company (or its Subsidiaries) has good and valid title or leasehold title to its properties and material assets owned by it, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest other than such as are not material to the business of the Company. Any real property and facilities held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

Section 4.15 Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. The Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.16 Regulatory Permits. Except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, the Company and its Subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such Subsidiary has received any written notice of proceedings relating to the revocation or modification of any such certificate, authorization or permits.

Section 4.17 Internal Accounting Controls. Except as disclosed in the SEC Documents, the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences, and management is not aware of any material weaknesses that are not disclosed in the SEC Documents as and when required.

Section 4.18 Absence of Litigation. Except for such matters as have not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, there is no action, suit, proceeding, or to the Company's knowledge any inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending against or affecting the Company, the Subordinate Voting Shares or any of the Company's Subsidiaries, and no such action, suit, proceeding, inquiry or investigation has been threatened in writing against the Company or any of its Subsidiaries, except for such matters as have not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.19 Tax Status. Each of the Company and its Subsidiaries (i) has timely made or filed all U.S. federal, state and non-U.S. income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject or has properly requested extensions thereof, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, if due and payable, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply, except in each case, where the failure to do so has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The Company has not received written notification of any material unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and to the knowledge of the officers of the Company and its Subsidiaries there is no basis for any such claim where the failure to pay would have or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.20 Certain Transactions. Except as not required to be disclosed pursuant to Applicable Laws, none of the officers or directors of the Company is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer or director, or to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer or director has a substantial interest or is an officer, director, trustee or partner.

Section 4.21 Rights of First Refusal. The Company is not obligated to offer the Subordinate Voting Shares offered hereunder on a right of first refusal basis or otherwise to any third parties including, but not limited to, current or former shareholders of the Company, underwriters, brokers, agents or other third parties.

Section 4.22 Dilution. The Company is aware and acknowledges that issuance of Subordinate Voting Shares hereunder could cause dilution to existing shareholders and could significantly increase the outstanding number of Subordinate Voting Shares.

Section 4.23 Acknowledgment Regarding Investor's Purchase of Shares. The Company acknowledges and agrees that the Investor is acting solely in the capacity of an arm's length investor with respect to this Agreement and the transactions contemplated hereunder. The Company further acknowledges that the Investor is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereunder and any advice given by the Investor or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereunder is merely incidental to the Investor's purchase of the Shares hereunder. The Company is aware and acknowledges that it shall not be able to request Advances under this Agreement if a Registration Statement is not effective or if any issuances of Subordinate Voting Shares pursuant to any Advances would violate any rules of the Principal U.S. Market. The Company acknowledges and agrees that it is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement.

Section 4.24 Finder's Fees. Neither the Company nor any of the Subsidiaries has incurred any liability for any finder's fees, brokerage commissions or similar payments in connection with the transactions herein contemplated.

Section 4.25 Relationship of the Parties. Neither the Company, nor any of its Subsidiaries, nor to the Company's knowledge its affiliates or any person acting on its or their behalf, is a client or customer of the Investor or any of its affiliates and neither the Investor nor to the Company's knowledge, any of its affiliates has provided any services to the Company or, to the Company's knowledge, any of its affiliates, its subsidiaries, or any person acting on its or their behalf. The Investor's relationship to Company is solely as investor as provided for in the Transaction Documents.

Section 4.26 Operations. The operations of the Company and its Subsidiaries are and have been conducted in material compliance with Applicable Laws and neither the Company nor the Subsidiaries, nor any director, officer, or employee of the Company or any Subsidiary nor, to the Company's knowledge, any agent, affiliate or other person acting on behalf of the Company or any Subsidiary has failed to comply in any material respect with Applicable Laws; and no action, suit or proceeding by or before any governmental authority involving the Company or any of its Subsidiaries with respect to Applicable Laws is pending or, to the knowledge of the Company, threatened, except in each case as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.27 Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Registration Statement or a Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

Section 4.28 Compliance with Laws. The Company and each of its Subsidiaries are in compliance with Applicable Laws; except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, the Company has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that any director, officer, or employee of the Company or any Subsidiary, in his or her capacity as such, nor, to the Company's knowledge, any agent, Affiliate or other person acting on behalf of the Company or any Subsidiary, has failed to comply with Applicable Laws, in his, her or its capacity as such, or could give rise to a notice of non-compliance with Applicable Laws, and the Company is not aware of any pending change to any applicable law or regulation or governmental position; in each case, that would have or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.29 Sanctions Matters. Neither the Company nor any of its Subsidiaries or, to the knowledge of the Company, any director, officer or controlled Affiliate of the Company or any director or officer of any Subsidiary, is a Person that is, or is owned or controlled by a Person that is (i) the target of any Sanctions, or (ii) located, organized or resident in a country or territory that is the subject of Sanctions that broadly prohibit dealings with that country or territory (including, without limitation, the Sanctioned Countries). Neither the Company nor any of its Subsidiaries will, directly or indirectly, use the proceeds from the sale of Advance Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (a) for the purpose of funding or facilitating any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions or is a Sanctioned Country, or (b) in any other manner that will result in a violation of Sanctions or Applicable Laws by any Person (including any Person participating in the transactions contemplated by this Agreement, whether as underwriter, advisor, investor or otherwise), provided that nothing in this Agreement shall require the Company to take or refrain from any act to the extent that doing so would constitute a violation of the Foreign Extraterritorial Measures (United States) Order, 1992. For the past five years, neither the Company nor any of its Subsidiaries has engaged in, and the Company and its Subsidiaries are now not engaged in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions, or in any country or territory that at the time of the transaction is or was a Sanctioned Country. Neither the Company nor any of its Subsidiaries nor any director, officer or controlled Affiliate of the Company or any of its Subsidiaries, has ever had funds blocked by a United States bank or financial institution, temporarily or otherwise, as a result of OFAC concerns.

Section 4.30 Foreign Private Issuer. The Company is a "foreign private issuer," within the meaning of Rule 3b-4 under the Exchange Act.

Section 4.31 General Solicitation. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Subordinate Voting Shares and the Subordinate Voting Shares are not being, and will not be, offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act, or any state securities laws, or, if applicable, any Canadian securities laws.

Article V. Indemnification

The Investor and the Company hereby agree to the following with respect to each other:

Section 5.01 Indemnification by the Company. In consideration of the Investor's execution and delivery of this Agreement and acquiring the Shares hereunder, and in addition to all of the Company's other obligations under this Agreement, the Company shall defend, protect, indemnify and hold harmless the Investor, its investment manager, Yorkville Advisors Global, LP, and their respective Affiliates, and each of the foregoing's respective officers, directors, managers, members, partners, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) and each person who controls the Investor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Investor Indemnitees") from and against any and all third-party actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Investor Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable and documented out of pocket attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by the Investor Indemnitees or any of them as a result of, or arising out of, or relating to (a) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the registration of the Shares as originally filed or in any amendment thereof, or in any related prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Investor specifically for inclusion therein; (b) any material misrepresentation or breach of any material representation or material warranty made by the Company in this Agreement or any other certificate, instrument or document contemplated hereby or thereby; or (c) any material breach of any material covenant, material agreement or material obligation of the Company contained in this Agreement or any other certificate, instrument or document contemplated hereby or thereby. To the extent that the foregoing undertaking by the Company may be unenforceable under Applicable Law, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities, which is permissible under Applicable Law.

Section 5.02 Indemnification by the Investor. In consideration of the Company's execution and delivery of this Agreement, and in addition to all of the Investor's other obligations under this Agreement, the Investor shall defend, protect, indemnify and hold harmless the Company, its Subsidiaries and all of its and their officers, directors, shareholders, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) and each person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Company Indemnitees") from and against any and all Indemnified Liabilities incurred by the Company Indemnitees or any of them as a result of, or arising out of, or relating to (a) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the registration of the Shares as originally filed or in any amendment thereof, or in any related prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Investor will only be liable for written information relating to the Investor furnished to the Company by or on behalf of the Investor specifically for inclusion in the documents referred to in the foregoing indemnity, and will not be liable in any such case to the extent that any such losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Investor by or on behalf of the Company specifically for inclusion therein; (b) any misrepresentation or breach of any representation or warranty made by the Investor in this Agreement or any instrument or document contemplated hereby or thereby executed by the Investor; or (c) any breach of any covenant, agreement or obligation of the Investor contained in this Agreement or any other certificate, instrument or document contemplated hereby or thereby executed by the Investor. To the extent that the foregoing undertaking by the Investor may be unenforceable under Applicable Laws, the Investor shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities, which is permissible under Applicable Laws.

Section 5.03 Notice of Claim. Promptly after receipt by an Investor Indemnitee or Company Indemnitee of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Investor Indemnitee or Company Indemnitee, as applicable, shall, if a claim for an Indemnified Liability in respect thereof is to be made against any indemnifying party under this Article V, deliver to the indemnifying party a written notice of the commencement thereof; but the failure to so notify the indemnifying party will not relieve it of liability under this Article V except to the extent the indemnifying party is prejudiced by such failure. The indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually reasonably satisfactory to the indemnifying party and the Investor Indemnitee or Company Indemnitee, as the case may be; provided, however, that an Investor Indemnitee or Company Indemnitee shall have the right to retain its own counsel with the actual and reasonable and documented third party fees and expenses of not more than one counsel for such Investor Indemnitee or Company Indemnitee to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Investor Indemnitee or Company Indemnitee and the indemnifying party would be inappropriate due to actual or potential differing interests between such Investor Indemnitee or Company Indemnitee and any other party represented by such counsel in such proceeding. The Investor Indemnitee or Company Indemnitee shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Investor Indemnitee or Company Indemnitee which relates to such action or claim. The indemnifying party shall keep the Investor Indemnitee or Company Indemnitee reasonably apprised as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Investor Indemnitee or Company Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Investor Indemnitee or Company Indemnitee of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Investor Indemnitee or Company Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The indemnification required by this Article V shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received and payment therefor is due.

Section 5.04 Remedies. The remedies provided for in this Article V are not exclusive and shall not limit any right or remedy which may be available to any indemnified person at law or equity. The obligations of the Parties to indemnify or make contribution under this Article V shall survive expiration or termination of this Agreement.

Section 5.05 Limitation of liability. Notwithstanding the foregoing, no Party shall seek, nor shall any be entitled to recover from the other Party, punitive, indirect, incidental, consequential, special or exemplary damages or other damages based on lost profits.

Article VI. Covenants

The Company covenants with the Investor, and the Investor covenants with the Company, as follows, which covenants of one party are for the benefit of the other party, during the Commitment Period:

Section 6.01 Registration Statement.

- (a) **Filing of a Registration Statement.** The Company shall use commercially reasonable efforts to prepare and file with the SEC a Registration Statement, or multiple Registration Statements for the resale by the Investor of the Registrable Securities. The Company in its sole discretion may choose when to file such Registration Statements; *provided, however*, that the Company shall not have the ability to request any Advances until the effectiveness of a Registration Statement.
- (b) **Maintaining a Registration Statement.** The Company shall use commercially reasonable efforts to maintain the effectiveness of any Registration Statement with respect to the Shares that has been declared effective at all times during the Commitment Period, provided, however, that if the Company has received notification pursuant to Section 2.04 that the Investor has completed resales pursuant to the Registration Statement for the full Commitment Amount, then the Company shall be under no further obligation to maintain the effectiveness of the Registration Statement. Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading. During the Commitment Period, the Company shall notify the Investor promptly if (i) the Registration Statement shall cease to be effective under the Securities Act, (ii) the Subordinate Voting Shares shall cease to be authorized for listing on the Principal U.S. Market, (iii) the Subordinate Voting Shares cease to be registered under Section 12(b) or Section 12(g) of the Exchange Act or (iv) the Company fails to file in a timely manner all reports and other documents required of it as a reporting company under the Exchange Act. During such time that the Investor is informed that the Registration Statement is no longer effective or current, the Investor agrees not to sell any Subordinate Voting Shares pursuant to such Registration Statement.

- (c) Filing Procedures. The Company shall (A) permit counsel to the Investor an opportunity to review and comment upon (i) each Registration Statement at least two (2) days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the Prospectus contained therein) (except for Annual Reports on Form 20-F, Annual Reports on Form 40-F, Proxy Statements, Reports on Form 6-K, including financial statement and management's discussion and analysis and any similar or successor reports or Prospectus Supplements the contents of which is limited to that set forth in such reports) within a reasonable number of days prior to their filing with the SEC (in each of which cases, if such document contains material non-public information, the Company shall refrain from providing such information during a Pricing Period, and any such information provided to the Investor will be kept confidential until filed or until it is not deemed material and/or nonpublic information anymore), and (B) shall reasonably consider any comments of the Investor and its counsel on any such Registration Statement or amendment or supplement thereto or to any Prospectus contained therein. If the Investor fails to provide comments to the Company within such two (2) Trading Day period, then the Company may file the Registration Statement, related amendment or related supplement, as applicable, without further delay. The Company shall promptly furnish to the Investor, without charge, (i) electronic copies of any correspondence from the SEC or the staff of the SEC to the Company or its representatives relating to each Registration Statement (which correspondence shall be redacted to exclude any material, non-public information regarding the Company or any of its Subsidiaries), (ii) after the same is prepared and filed with the SEC, one (1) electronic copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by the Investor, and all exhibits and (iii) upon the effectiveness of each Registration Statement, one (1) electronic copy of the Prospectus included in such Registration Statement and all amendments and supplements thereto; provided, however, the Company shall not be required to furnish any document to the extent such document is available on EDGAR.
- (d) Amendments and Other Filings. The Company shall use commercially reasonable efforts to (i) prepare and file with the SEC such amendments (including post-effective amendments) and supplements to a Registration Statement and the related prospectus used in connection with such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the Securities Act, as may be necessary to keep such Registration Statement effective at all times during the Commitment Period, and prepare and file with the SEC such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related prospectus to be amended or supplemented by any required prospectus supplement (subject to the terms of this Agreement), and as so supplemented or amended to be filed pursuant to Rule 424 promulgated under the Securities Act; (iii) provide the Investor with copies of all correspondence from and to the SEC relating to a Registration Statement (provided that the Company may excise any information contained therein which would constitute material non-public information); and (iv) comply with the provisions of the Securities Act with respect to the Registration Statement. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 6.01(d)) by reason of the Company's filing of Annual Reports on Form 20-F, Annual Reports on Form 40-F, Proxy Statements, Reports on Form 6-K, including financial statement and management's discussion and analysis, or any analogous report under the Exchange Act that updates or changes material information included in the Registration Statement and the related prospectus), provided that such report is not automatically incorporated by reference into the applicable Registration Statement, the Company shall use commercially reasonable efforts to file such report in a prospectus supplement filed pursuant to Rule 424 promulgated under the Securities Act to incorporate such filing into the prospectus included in the Registration Statement, if applicable and permitted, or to file such amendments or supplements to the Registration Statement with the SEC either on the day on which the Exchange Act report is filed which created the requirement for the Company to amend or supplement the Registration Statement, if feasible, or otherwise promptly thereafter.
- (e) Blue-Sky. The Company shall use its commercially reasonable efforts to, if required by Applicable Laws, (i) register and qualify the Subordinate Voting Shares covered by a Registration Statement under such other securities or "blue sky" laws of such jurisdictions in the United States as the Investor reasonably requests, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Commitment Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Commitment Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Subordinate Voting Shares for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (w) make any change to the organizational documents of the Company or any of its Subsidiaries, (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 6.01(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify the Investor of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Subordinate Voting Shares for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

Section 6.02 Suspension of Registration Statement.

- (a) Establishment of a Black Out Period. During the Commitment Period, the Company from time to time may suspend the use of the Registration Statement by written notice to the Investor in the event that the Company determines in its sole discretion that such suspension is necessary to (i) delay the disclosure of material non-public information concerning the Company, the disclosure of which at the time is not, in the good faith opinion of the Company, in the best interests of the Company, or (ii) amend or supplement the Registration Statement or Prospectus so that such Registration Statement or Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (a “Black Out Period”).
- (b) No Sales by Investor During the Black Out Period. During such Black Out Period, the Investor agrees not to sell any Subordinate Voting Shares of the Company pursuant to such Registration Statement, but may sell shares pursuant to an exemption from registration, if available, subject to the Investor’s compliance with Applicable Laws.
- (c) Limitations on the Black Out Period. The Company shall not impose any Black Out Period that is longer than 45 consecutive days (or 90 days in any calendar year) or in a manner that is more restrictive (including, without limitation, as to duration) than the comparable restrictions that the Company may impose on transfers of the Company’s equity securities by its directors and senior executive officers. In addition, the Company shall not deliver any Advance Notice during any Black Out Period. If the public announcement of such material, nonpublic information is made during a Black Out Period, the Black Out Period shall terminate after such announcement, and the Company shall immediately notify the Investor of the termination of the Black Out Period.

Section 6.03 Listing of Subordinate Voting Shares. As of each Advance Notice Date and the relevant Advance Date, the Shares to be sold by the Company from time to time hereunder will have been registered under Section 12(b) of the Exchange Act and approved for listing on the Principal Markets, subject to official notice of issuance.

Section 6.04 Opinion of Counsel. Prior to the date of the delivery by the Company of the first Advance Notice, the Investor shall have received an opinion letter from Canadian and U.S. counsel to the Company substantially in a form and in substance reasonably satisfactory to the Investor.

Section 6.05 Exchange Act Registration. The Company will use commercially reasonable efforts to file in a timely manner all reports and other documents required of it as a foreign private issuer under the Exchange Act and will not, during the Commitment Period, take any action or file any document (whether or not permitted by Exchange Act or the rules thereunder) to terminate or suspend its reporting and filing obligations under the Exchange Act.

Section 6.06 Transfer Agent Instructions. During the Commitment Period (or such shorter time as permitted by Section 2.04 of this Agreement) and subject to Applicable Laws, the Company shall cause (including, if necessary, by causing legal counsel for the Company to deliver a customary opinion) the transfer agent for the Subordinate Voting Shares to remove restrictive legends from Subordinate Voting Shares purchased by the Investor pursuant to this Agreement, provided that counsel for the Company shall have been furnished with such documents as they may require for the purpose of enabling them to render such opinions or making the statements requested by the transfer agent or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the covenants, obligations or conditions, contained herein.

Section 6.07 Corporate Existence. The Company will use commercially reasonable efforts to preserve and continue the corporate existence of the Company during the Commitment Period which for the avoidance of doubt shall not include any reorganization, acquisition, merger, business combination or other transaction in which the corporate entity of the Company survives.

Section 6.08 Notice of Certain Events Affecting Registration; Suspension of Right to Make an Advance. The Company will promptly notify the Investor, and confirm in writing, upon its becoming aware of the occurrence of any of the following events in respect of a Registration Statement or related Prospectus (i) receipt of any request for additional information by the SEC or any other Federal or state governmental authority during the period of effectiveness of the Registration Statement the response to which would require any post-effective amendments or supplements to the Registration Statement or the Prospectus; (ii) the issuance by the SEC or any other Federal governmental authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Subordinate Voting Shares for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose; (iv) the happening of any event that makes any statement made in the Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, related Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the related Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or of the necessity to amend the Registration Statement or supplement a related Prospectus to comply with the Securities Act or any other law (and the Company will promptly make available to the Investor any such supplement or amendment to the related Prospectus, provided, however, the Company shall not be required to furnish any documents to the extent such document is available for access on EDGAR); (v) the Company’s reasonable determination that a post-effective amendment to the Registration Statement would be required under Applicable Law; (vi) the Subordinate Voting Shares shall cease to be authorized for listing on the Principal U.S. Market; or (vii) the Company fails to file in a timely manner all reports and other documents required of it as a reporting company under the Exchange Act. The Company shall not deliver to the Investor any Advance Notice, and the Company shall not sell any Shares pursuant to any pending Advance Notice (other than as required pursuant to Section 2.02(d)), during the continuation of any of the foregoing events (each of the events described in the immediately preceding clauses (i) through (vii), inclusive, a “Material Outside Event”).

Section 6.09 Consolidation. If an Advance Notice has been delivered to the Investor, then the Company shall not effect any consolidation of the Company with or into, or a transfer of all or substantially all the assets of the Company to another entity before the transaction contemplated in such Advance Notice has been closed in accordance with Section 2.02 hereof, and all Shares in connection with such Advance have been received by the Investor.

Section 6.10 Issuance of the Company's Subordinate Voting Shares. The issuance and sale of the Subordinate Voting Shares hereunder shall be made in accordance with the provisions and requirements of Section 4(a)(2) of the Securities Act and any applicable state securities law.

Section 6.11 Expenses. The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay all expenses incident to the performance of its obligations hereunder, including but not limited to (i) the preparation, printing and filing of the Registration Statement and each amendment and supplement thereto, of each Prospectus and of each amendment and supplement thereto; (ii) the preparation, issuance and delivery of any Shares issued pursuant to this Agreement, (iii) all reasonable fees and disbursements of the Company's counsel, accountants and other advisors (but not, for the avoidance doubt, the fees and disbursements of Investor's counsel, accountants and other advisors), (iv) the qualification of the Shares under securities laws in accordance with the provisions of this Agreement, including filing fees in connection therewith, (v) the printing and delivery of copies of any Prospectus and any amendments or supplements thereto reasonably requested by the Investor, (vi) the fees and expenses incurred in connection with the listing or qualification of the Shares for trading on the Principal U.S. Market and the TSX, and (vii) filing fees of the SEC.

Section 6.12 Current Report. The Company shall, as soon as reasonably practicable following the dissemination of the press release referred to in Section 2.05, file with the SEC a report on Form 6-K describing the execution of this Agreement by the Company and the Investor (including any exhibits thereto, the "Current Report"). The Company shall provide the Investor and its legal counsel a reasonable opportunity to comment on a draft of the press release, Current Report including any exhibits to be filed related thereto, as applicable, prior to filing the Current Report with the SEC and shall reasonably consider all such comments. Notwithstanding anything contained in this Agreement to the contrary, the Company expressly agrees that from and after the filing of the Current Report with the SEC and the dissemination of the press release referred to in Section 2.05, the Company shall have publicly disclosed all material, non-public information provided to the Investor (or the Investor's representatives or agents) by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees, agents or representatives (if any) in connection with the transactions contemplated by the Transaction Documents. Except in accordance with this Agreement, (including, for the avoidance of doubt, any notification of a Black Out Period or Material Outside Event pursuant to this Agreement), the Company shall not, and the Company shall cause each of its Subsidiaries and each of its and their respective officers, directors, employees and agents not to, provide the Investor with any material, non-public information regarding the Company or any of its Subsidiaries without the express prior written consent of the Investor (which may be granted or withheld in the Investor's sole discretion). Notwithstanding anything contained in this Agreement to the contrary, the Company expressly agrees that it shall publicly disclose in the Current Report or otherwise make publicly available any information communicated to the Investor by or, to the knowledge of the Company, on behalf of the Company in connection with the transactions contemplated by the Transaction Documents, which, following the Effective Date would, if not so disclosed, constitute material, non-public information regarding the Company or its Subsidiaries. The Company understands and confirms that the Investor will rely on the foregoing representations in effecting resales of Shares in accordance with this Agreement. In addition, effective upon the filing of the Current Report, the Company acknowledges and agrees that any and all confidentiality or similar obligations with respect to the transactions contemplated by the Transaction Documents under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, Affiliates, employees or agents, on the one hand, and Investor or any of its respective officers, directors, Affiliates, employees or agents, on the other hand, shall terminate.

Section 6.13 Advance Notice Limitation. The Company shall not deliver an Advance Notice if a shareholder meeting or corporate action, or the record date for any shareholder meeting or any corporate action, would fall during the period beginning two Trading Days prior to the date of delivery of such Advance Notice and ending two Trading Days following the Closing of such Advance.

Section 6.14 Use of Proceeds. The Company will use the proceeds from the sale of the Subordinate Voting Shares hereunder for working capital and other general corporate purposes or, if different, in a manner consistent with the application thereof described in the Prospectus included in any Registration Statement (and any post-effective amendment thereto) and any Prospectus Supplement thereto filed pursuant to this Agreement. Neither the Company nor any Subsidiary will, directly or indirectly, use the proceeds of the transactions contemplated herein, or lend, contribute, facilitate or otherwise make available such proceeds to any Person (i) to fund, either directly or indirectly, any activities or business of or with any Person that is identified on the list of Specially Designated Nationals and Blocker Persons maintained by OFAC, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions or Sanctions Programs, or (ii) in any other manner that will result in a violation of Sanctions or Applicable Laws.

Section 6.15 Compliance with Laws. The Company shall comply in all material respects with all Applicable Laws.

Section 6.16 Market Activities. Neither the Company, nor any Subsidiary, nor any of their respective officers, directors or controlling persons will, directly or indirectly, (i) take any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute or result, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of Subordinate Voting Shares or (ii) sell, bid for, or purchase Subordinate Voting Shares in violation of Regulation M, or pay anyone any compensation for soliciting purchases of the Shares; provided, however, that nothing contained in this Section 6.16 shall limit the Company in any way from initiating, discussing, negotiating, engaging in any agreement, effecting, closing or otherwise taking any action (including making any filing with any governmental authority, issuing any securities or registering any securities for trading on any stock exchange) in connection with any private or public offering of the Company's securities.

Section 6.17 Trading Information. On any Trading Day in which the Investor bought or sold any Subordinate Voting Shares, or on any other Trading Day at the reasonable request of the Company, the Investor agrees to provide the Company with trading reports setting forth the number of Subordinate Voting Shares held long by the Investor, the number of Subordinate Voting Shares sold by the Investor and the average sales price of Subordinate Voting Shares sold by the Investor during such Trading Day. The Investor shall provide the Company any information reasonably requested in order to complete filings on Form 72-503F – *Report of Distributions Outside of Canada*.

Section 6.18 Selling Restrictions. Except as expressly set forth below, the Investor covenants that from and after the date hereof through and including the Trading Day next following the expiration or termination of this Agreement as provided in Section 9.01 (the "Restricted Period"), none of the Investor, any of its officers, directors, partners, employees, Affiliate or any entity managed or controlled by the Investor (collectively, the "Restricted Persons") and each of the foregoing is referred to herein as a "Restricted Person") shall, directly or indirectly, engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of the Subordinate Voting Shares, either for its own principal account or for the principal account of any other Restricted Person, and shall further (a) not engage in any agreement, solicitation or understanding with respect to the foregoing, and (b) not take any actions, with respect to locating or borrowing shares in order to effect short sales or similar transactions in the Company's securities. Notwithstanding the foregoing, it is expressly understood and agreed that nothing contained herein shall (without implication that the contrary would otherwise be true) prohibit any Restricted Person during the Restricted Period from: (1) selling "long" (as defined under Rule 200 promulgated under Regulation SHO) any Subordinate Voting Shares; or (2) selling a number of Subordinate Voting Shares equal to the number of Advance Shares that such Restricted Person is unconditionally obligated to purchase under a pending Advance Notice but has not yet received from the Company or the transfer agent pursuant to this Agreement.

Section 6.19 Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party shall have any power or any right to assign or transfer, in whole or in part, this Agreement, or any of its rights or any of its obligations hereunder, including, without limitation, any right to pursue any claim for damages pursuant to this Agreement or the transactions contemplated herein, or to pursue any claim for any breach or default of this Agreement, or any right arising from the purported assignor's due performance of its obligations hereunder, without the prior written consent of the other Party and any such purported assignment in contravention of the provisions herein shall be null and void and of no force or effect. Without the consent of the Investor, the Company shall not have the right to assign or transfer any of its rights or provide any third party the right to bind or obligate the Company, to deliver Advance Notices or effect Advances hereunder.

Section 6.20 Non-Public Information. The Company covenants and agrees that, other than as expressly required by Section 6.08 and subject to Section 6.12 hereof, it shall refrain from disclosing, and shall cause its officers, directors, employees and agents to refrain from disclosing, any material non-public information (as determined under the Securities Act, the Exchange Act, or the rules and regulations of the SEC) to the Investor without also disseminating such information to the public, unless prior to disclosure of such information the Company identifies such information as being material non-public information and the Investor agrees in writing to accept such material non-public information for review. Unless specifically agreed to in writing, in no event shall the Investor have a duty of confidentiality or be deemed to have agreed to maintain information in confidence, with respect to the delivery of any Advance Notices. For certainty, the Investor shall at all times keep confidential any notification by the Company of a Black Out Period or Material Outside Event until the time at which such information has been generally disclosed in the manner contemplated by this Agreement.

Section 6.21 No Frustration. For so long as an Advance Notice is pending and any sales pursuant to such notice have not settled, the Company shall not enter into, announce or recommend to its shareholders any agreement, plan, arrangement or transaction in or of which the terms thereof would restrict, materially delay, conflict with or impair the ability or right of the Company to perform its obligations under the Transaction Documents to which it is a party, including, without limitation, the obligation of the Company to deliver the Shares to the Investor in respect of an Advance Notice.

Article VII.
Non Exclusive Agreement

Notwithstanding anything contained herein, this Agreement and the rights awarded to the Investor hereunder are non-exclusive, and the Company may, at any time throughout the term of this Agreement and thereafter, issue, sell and allot, or undertake to issue, sell and allot, any shares, warrants and/or securities and/or convertible notes, bonds, debentures, options to acquire shares or other securities and/or other facilities which may be converted into or replaced by Subordinate Voting Shares or other securities of the Company, and may extend, renew and/or recycle any bonds and/or debentures, and/or grant any rights with respect to its existing and/or future share capital.

Article VIII.
Choice of Law/Jurisdiction; Waiver of Jury Trial

Section 8.01 This Agreement, and any and all claims, proceedings or causes of action relating to this Agreement or arising from this Agreement or the transactions contemplated herein, including, without limitation, tort claims, statutory claims and contract claims, shall be interpreted, construed, governed and enforced under and solely in accordance with the substantive and procedural laws of the State of New York, in each case as in effect from time to time and as the same may be amended from time to time, and as applied to agreements performed wholly within the State of New York. The Parties further agree that any action between them shall be heard in New York County, New York, and expressly consent to the jurisdiction of and laying of venue in the Supreme Court of the State of New York, sitting in New York County, New York and the United States District Court of the Southern District of New York, sitting in New York, New York, for the adjudication of any civil action filed pursuant to this Agreement.

Section 8.02 EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN, THE PERFORMANCE THEREOF OR THE FINANCINGS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

Article IX. Termination

Section 9.01 Termination.

- (a) Unless earlier terminated as provided hereunder, this Agreement shall terminate automatically on the earlier of (i) 36 months following the Effective Date or (ii) the date on which the Investor shall have made payment of Advances pursuant to this Agreement for Subordinate Voting Shares equal to the Commitment Amount.
- (b) The Company may terminate this Agreement effective at any time upon two (2) days written notice to the Investor; provided that (i) there are no outstanding Advance Notices, the Subordinate Voting Shares under which have yet to be issued and paid for, and (ii) the Company has paid any amounts owed to the Investor pursuant to this Agreement as of the time of such termination. This Agreement may be terminated at any time by the mutual written consent of the Parties, effective as of the date of such mutual written consent unless otherwise provided in such written consent.
- (c) Nothing in this Section 9.01 shall be deemed to release the Company or the Investor from any liability for any breach under this Agreement prior to the valid termination hereof, or to impair the rights of the Company and the Investor to compel specific performance by the other party of its obligations under this Agreement prior to the valid termination hereof. The indemnification provisions contained in Article V shall survive termination hereunder.

Article X. Notices

Section 10.01 Notices. Other than with respect to Advance Notices, which must be in writing delivered in accordance with Section 2.01(b) and will be deemed delivered on the day set forth in Section 2.01(b), any notices, consents, waivers, or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered (i) upon receipt, when delivered personally, (ii) upon receipt, when sent by e-mail if sent on a Trading Day, or, if not sent on a Trading Day, on the immediately following Trading Day, (iii) 5 calendar days after being sent by certified mail, return receipt requested, or (iv) 1 calendar day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses for such communications (except for Advance Notices which shall be delivered in accordance with Exhibit A hereof) shall be:

If to the Company, to:

Xanadu Quantum Technologies Limited
777 Bay Street, Suite 2400
Toronto, Ontario M5G 2C8
Canada
Attn: Natalie Wilmore
E-mail: [***]

With copies (which shall not constitute notice or delivery of process) to:

Osler, Hoskin & Harcourt LLP
100 King Street West
Suite 6200
Toronto, Ontario M5X 1B8
Attn: Chad Bayne; James R. Brown
E-mail: cbayne@osler.com; jbrown@osler.com

and

Cooley LLP
3 Embarcadero Center
20th Floor
San Francisco, CA 94111-4004
Attn: Kristin VanderPas; Peter Byrne
Email: kvanderpas@cooley.com; pbyrne@cooley.com

If to the Investor:

YA II PN, Ltd.
1012 Springfield Avenue
Mountainside, NJ 07092
Attn: Mark Angelo
E-mail: [***]

With a copy (which shall not constitute notice or delivery of process) to:

David Fine, Esq.
1012 Springfield Avenue
Mountainside, NJ 07092
E-mail: [***]

or at such other address and/or e-mail and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) electronically generated by the sender's email service provider containing the time, date, recipient email address or (iii) provided by a nationally recognized overnight delivery service shall be rebuttable evidence of personal service in accordance with clause (i), (ii) or (iii) above, respectively.

Article XI. Miscellaneous

Section 11.01 Counterparts. This Agreement may be executed in identical counterparts, each of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. Facsimile or other electronically scanned and delivered signatures (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, *e.g.*, www.docusign.com), including by e-mail attachment, shall be deemed to have been duly and validly delivered and be valid and effective for all purposes of this Agreement.

Section 11.02 Entire Agreement; Amendments. This Agreement supersedes all other prior oral or written agreements between the Investor, the Company, their respective Affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement contains the entire understanding of the Parties with respect to the matters covered herein and, except as specifically set forth herein, neither the Company nor the Investor makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the Parties to this Agreement. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon strict compliance by any other party hereto with its obligations hereunder, shall not constitute a waiver by such party of its right to exercise any such right, power or remedy or any other right, power or remedy or to demand strict compliance with such obligations hereunder. No custom or practice of the parties at variance with the terms hereof shall constitute a waiver by any party of its right to exercise any right, power or remedy available to it hereunder or any other right, power or remedy or to demand strict compliance with the terms of this Agreement.

Section 11.03 Reporting Entity for the Subordinate Voting Shares. The reporting entity relied upon for the determination of the trading price or trading volume of the Subordinate Voting Shares on any given Trading Day for the purposes of this Agreement shall be Bloomberg, L.P. or any successor thereto. The written mutual consent of the Investor and the Company shall be required to employ any other reporting entity.

Section 11.04 Commitment and Structuring Fee. Each of the Parties shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby, except that the Company has paid the Investor or its designee a structuring fee in the amount of \$25,000, and the Company shall pay a commitment fee in an amount equal to 0.45% of the Commitment Amount (the “Commitment Fee”) which shall be fully earned upon the execution of this Agreement and shall, at the option of the Company, either (i) be paid in shares by the issuance to the Investor within three Business Days of the date hereof of such number of Subordinate Voting Shares that is equal to the Commitment Fee divided by the last closing price of the Subordinate Voting Shares on the Nasdaq, as of the signing of this Agreement, subject to the TSX Minimum Price (collectively, the “Commitment Shares”), or (ii) be paid in cash with 10% of the gross proceeds from the closing of each Advance hereunder to be deducted by the Investor from the total Purchase Price payable to the Company from each such Advance, until the entire Commitment Fee paid in full. Notwithstanding the foregoing, (a) any portion of the Commitment Fee that remains unpaid upon the termination of this Agreement shall be immediately paid by the Company to the Investor in cash, (b) to the extent that, on the twelve-month anniversary of the date of this Agreement, any unpaid portion of the Commitment Fee shall be immediately paid by the Company to the Investor in cash. Any Commitment Shares issued hereunder shall be included on the initial Registration Statement. Upon issuance, the Commitment Shares issued hereunder shall bear a restrictive legend in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS WHICH, IN THE OPINION OF COUNSEL, IS AVAILABLE OR THE COMPANY IS OTHERWISE SATISFIED, IN ITS SOLE DISCRETION, THAT REGISTRATION IS NOT REQUIRED.”

The Investor shall comply with OSC Rule 72-503 with respect to the Commitment Shares.

Section 11.05 Brokerage. Each of the Parties hereto represents that it has had no dealings in connection with this transaction with any finder or broker who will demand payment of any fee or commission from the other party. The Company on the one hand, and the Investor, on the other hand, agree to indemnify the other against and hold the other harmless from any and all liabilities to any person claiming brokerage commissions or finder’s fees on account of services purported to have been rendered on behalf of the indemnifying party in connection with this Agreement or the transactions contemplated hereby.

Section 11.06 Currency. All references in this Agreement, any Advance Notice and any Settlement Document to sums of money shall be, unless the contrary is expressly indicated, to sums in lawful money of the United States.

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IN WITNESS WHEREOF, the Parties hereto have caused this Standby Equity Purchase Agreement to be executed by the undersigned, thereunto duly authorized, as of the date first set forth above.

COMPANY:

XANADU QUANTUM TECHNOLOGIES LIMITED

By: /s/ Christian Weedbrook

Name: Christian Weedbrook

Title: Chief Executive Officer

INVESTOR:

YA II PN, LTD.

By: Yorkville Advisors Global, LP

Its: Investment Manager

By: Yorkville Advisors Global II, LLC

Its: General Partner

By: /s/ Matthew Beckman

Name: Matthew Beckman

Title: Manager

**ANNEX I TO THE
STANDBY EQUITY PURCHASE AGREEMENT
DEFINITIONS**

“Advance” shall mean any issuance and sale of Advance Shares by the Company to the Investor pursuant to this Agreement.

“Advance Date” shall mean the first Trading Day after expiration of the applicable Pricing Period for each Advance.

“Advance Notice” shall mean a written notice in the form of Exhibit A attached hereto to the Investor executed by an officer of the Company and setting forth the number of Advance Shares that the Company desires to issue and sell to the Investor.

“Advance Notice Date” shall mean each date the Company is deemed to have delivered (in accordance with Section 2.01(b) of this Agreement) an Advance Notice to the Investor, subject to the terms of this Agreement.

“Advance Shares” shall mean the Subordinate Voting Shares that the Company shall issue and sell to the Investor pursuant to an Advance Notice delivered in accordance with the terms of this Agreement.

“Affiliate” shall have the meaning set forth in Section 3.09.

“Agreement” shall have the meaning set forth in the preamble of this Agreement.

“Applicable Laws” shall mean all applicable laws, statutes, rules, regulations, orders, decrees, rulings, injunctions, executive orders, directives, policies, guidelines and codes having the force of law, whether local, national, or international, as amended from time to time, including without limitation (i) all applicable laws that relate to money laundering, terrorist financing, financial record keeping and reporting, (ii) all applicable laws that relate to anti-bribery, anti-corruption, books and records and internal controls, including the United States Foreign Corrupt Practices Act of 1977, and (iii) any Sanctions laws.

“Average Price” shall mean a price per Share equal to the quotient obtained by dividing (i) the aggregate gross purchase price paid by the Investor for all Shares purchased pursuant to this Agreement, by (ii) the aggregate number of Shares issued pursuant to this Agreement.

“Black Out Period” shall have the meaning set forth in Section 6.02(a).

“Business Day” shall mean any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States, a federal, provincial or municipal holiday in Toronto, Ontario, or any day on which banking institutions in the State of New York or in Toronto, Ontario are authorized or required by Applicable Law to close.

“Closing” shall have the meaning set forth in Section 2.02.

“Commitment Amount” shall mean \$300 million of Subordinate Voting Shares.

“Commitment Fee” shall have the meaning set forth in Section 11.04.

“Commitment Period” shall mean the period commencing on the Effective Date and expiring upon the date of termination of this Agreement in accordance with Section 9.01.

“Commitment Shares” shall have the meaning set forth in Section 11.04.

“Company” shall have the meaning set forth in the preamble of this Agreement.

“Company Indemnitees” shall have the meaning set forth in Section 5.02.

“Condition Satisfaction Date” shall have the meaning set forth in Annex II hereto.

“Current Report” shall have the meaning set forth in Section 6.12.

“Daily Traded Amount” shall mean the daily trading volume of the Subordinate Voting Shares on the Principal U.S. Market during regular trading hours as reported by Bloomberg L.P.

“Effective Date” shall mean the date this Agreement is executed.

“Environmental Laws” shall have the meaning set forth in Section 4.13.

“Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exchange Cap” shall have the meaning set forth in Section 2.01(c)(iii).

“GAAP” shall have the meaning set forth in Section 4.06.

“Hazardous Materials” shall have the meaning set forth in Section 4.13.

“Home Country Practice” shall have the meaning set forth in Section 2.01(d)(iii).

“Indemnified Liabilities” shall have the meaning set forth in Section 5.01.

“Intra-Day VWAP” shall mean, for any applicable period specified in this Agreement, the volume weighted average price of the Subordinate Voting Shares on the Principal U.S. Market during such period, as reported by Bloomberg L.P. through its “AQR” function (or, if not reported by Bloomberg L.P. through such function, such other Bloomberg L.P. function that reports such volume weighted average price for the relevant period), based on transactions executed during such relevant period; provided that if Bloomberg L.P. ceases to report such information, the Intra-Day VWAP shall be determined using a reporting service reasonably agreed to by the Parties.

“Investor” shall have the meaning set forth in the preamble of this Agreement.

“Investor Indemnitees” shall have the meaning set forth in Section 5.01.

“Market Price” shall mean the VWAP of the Subordinate Voting Shares during the relevant Pricing Period, provided that such price shall not be lower than the Minimum Acceptable Price, if any, in respect of such Advance.

“Material Adverse Effect” shall mean any event, occurrence or condition that has had or would reasonably be expected to have a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole.

“Material Outside Event” shall have the meaning set forth in Section 6.08.

“Maximum Advance Amount” in respect of each Advance Notice means such number of Subordinate Voting Shares equal to \$25,000,000 as of the date of each Advance Notice (determined based on the last closing price of the Subordinate Voting Shares on the Principal U.S. Market prior to delivery of such Advance Notice).

“Minimum Acceptable Price” shall mean the minimum price notified by the Company to the Investor in each Advance Notice, if applicable.

“Nasdaq” shall mean The Nasdaq Stock Market LLC.

“OFAC” shall have the meaning set forth in Section 4.293.14.

“OSC Rule 72-503” shall have the meaning set forth in the recitals of this Agreement.

“Ownership Limitation” shall have the meaning set forth in Section 2.01(c)(i).

“Person” shall mean an individual, a corporation, a partnership, a limited liability company, a trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Personal Information Form” means a personal information form on Form 4 as prescribed by the TSX.

“Plan of Distribution” shall mean the section of a Registration Statement disclosing the plan of distribution of the Shares.

“Pricing Period” shall mean the period on the applicable Advance Notice Date commencing upon receipt by the Company of written confirmation (which may be by e-mail) of receipt of such Advance Notice by the Investor, and which confirmation shall specify such commencement time, and ending on 4:00 p.m. New York City time on the same Trading Day (unless otherwise agreed by the Parties, or a Pricing Period is terminated pursuant to the terms of this Agreement).

“Principal U.S. Market” shall mean the Nasdaq Global Market; provided however, that in the event the Subordinate Voting Shares are ever listed or traded on the Nasdaq Global Select Market, the Nasdaq Capital Market, the New York Stock Exchange, the NYSE American, or any other nationally recognized securities exchange or quotation system in the United States registered with the SEC under Section 6 of the Exchange Act, then the “Principal U.S. Market” shall mean such other market or exchange on which the Subordinate Voting Shares are then listed or traded to the extent such other market or exchange is the principal trading market or exchange for the Subordinate Voting Shares.

“Principal Markets” means the Toronto Stock Exchange and the Principal U.S. Market.

“Prospectus” shall mean any prospectus (including, without limitation, all amendments and supplements thereto) used by the Company in connection with a Registration Statement.

“Prospectus Supplement” shall mean any prospectus supplement to a Prospectus filed with the SEC from time to time pursuant to Rule 424(b) under the Securities Act, including the documents incorporated by reference (if applicable) therein, including, without limitation, any prospectus supplement to be filed in accordance with Section 6.01 hereof.

“Purchase Price” shall mean the price per Advance Share obtained by multiplying the Market Price by 97.50%, provided that if such price is less than the TSX Minimum Price, “Purchase Price” shall mean the applicable TSX Minimum Price.

“Reduced Advance” shall have the meaning set forth in Section 2.01(d)(iv).

“Registrable Securities” shall mean (i) the Shares, and (ii) any securities issued or issuable with respect to the Shares by way of exchange, share dividend or share split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise.

“Registration Limitation” shall have the meaning set forth in Section 2.01(c)(ii).

“Registration Statement” shall mean a registration statement on Form F-1 or Form F-3 or on such other form promulgated by the SEC for which the Company then qualifies and which counsel for the Company shall deem appropriate, and which form shall be available for the registration of the resale by the Investor of the Registrable Securities under the Securities Act, which registration statement provides for the resale from time to time of the Shares as provided herein.

“Regulation D” shall mean the provisions of Regulation D promulgated under the Securities Act.

“Sanctions” shall have the meaning set forth in Section 4.293.14.

“Sanctioned Countries” shall have the meaning set forth in Section 3.14.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“SEC Documents” shall have the meaning set forth in Section 4.05.

“Securities Act” shall have the meaning set forth in the recitals of this Agreement.

“Settlement Document” shall have the meaning set forth in Section 2.02(a).

“Shares” shall mean the Commitment Shares and the Subordinate Voting Shares to be issued from time to time hereunder pursuant to an Advance.

“Subordinate Voting Share Equivalents” shall mean any securities of the Company or its Subsidiaries which entitle the holder thereof to acquire at any time Subordinate Voting Shares, including, without limitation, any debt, preference shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Subordinate Voting Shares.

“Subordinate Voting Shares” shall have the meaning set forth in the recitals of this Agreement.

“Subsidiaries” shall mean any Person in which the Company, directly or indirectly, (x) owns a majority of the outstanding share capital or holds a majority of the equity or similar interest of such Person or (y) controls or operates all or substantially all of the business, operations or administration of such Person, and the foregoing are collectively referred to herein as “Subsidiaries.”

“Trading Day” shall mean any day during which the Principal U.S. Market shall be open for business.

“Transaction Documents” shall mean, collectively, this Agreement and each of the other agreements and instruments entered into or delivered by the Parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

“TSX” shall have the meaning set forth in the recitals of this Agreement.

“TSX Minimum Price” shall mean, with respect to each Advance, the volume weighted average price (calculated in accordance with the TSX Company Manual) of the Subordinate Voting Shares on the TSX for the five (5) TSX trading days immediately preceding the date of the delivery of the applicable Advance Notice, less the maximum permitted discount provided in the TSX Company Manual, converted to U.S. dollars using the exchange rate quoted by the Bank of Canada at the time of submission of such Advance Notice.

“Variable Rate Transaction” shall mean a transaction in which the Company (i) issues or sells any Subordinate Voting Shares or Subordinate Voting Share Equivalents that are convertible into, exchangeable or exercisable for, or include the right to receive additional Subordinate Voting Shares either (A) at a conversion price, exercise price, exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the Subordinate Voting Shares at any time after the initial issuance of Subordinate Voting Shares or Subordinate Voting Share Equivalents, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such equity or debt security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Subordinate Voting Shares (including, without limitation, any “full ratchet,” “share ratchet,” “price ratchet,” or “weighted average” anti-dilution provisions, but not including any standard anti-dilution protection for any reorganization, recapitalization, non-cash dividend, share split or other similar transaction), (ii) enters into, or effects a transaction under, any agreement, including but not limited to an “equity line of credit” or similar offering of Subordinate Voting Shares or Subordinate Voting Share Equivalents, or (iii) any forward purchase agreement, equity pre-paid forward transaction or other similar offering of securities where the purchaser of securities of the Company receives an upfront or periodic payment of all, or a portion of, the value of the securities so purchased, and the Company receives proceeds from such purchaser based on a price or value that varies with the trading prices of the Subordinate Voting Shares.

“Volume Threshold” shall mean a number of Subordinate Voting Shares equal to the quotient of (a) the number of Advance Shares requested by the Company in an Advance Notice divided by (b) 0.30.

“VWAP” shall mean for any Trading Day or specified period, the volume weighted average price of the Subordinate Voting Shares on the Principal U.S. Market, for such Trading Day or specified period as reported by Bloomberg L.P. through its “AQR” function.

ANNEX II
TO THE STANDBY EQUITY PURCHASE AGREEMENT
CONDITIONS PRECEDENT TO THE RIGHT OF THE COMPANY
TO DELIVER AN ADVANCE NOTICE

The right of the Company to deliver an Advance Notice and the obligations of the Investor hereunder with respect to an Advance are subject to the satisfaction or waiver by the Investor, on each Advance Notice Date (a “Condition Satisfaction Date”), of each of the following conditions:

- (a) Accuracy of the Company’s and Investor’s Representations and Warranties. The respective representations and warranties of the Company and the Investor in this Agreement shall be true and correct in all material respects as of the Advance Notice Date and as of each Advance Date (except to the extent such representations and warranties are as of another date, such representations and warranties shall be true and correct as of such other date).
- (b) Registration of the Subordinate Voting Shares with the SEC. There is an effective Registration Statement pursuant to which the Investor is permitted to utilize the prospectus thereunder to resell all of the Subordinate Voting Shares issuable pursuant to such Advance Notice. The Current Report shall have been filed with the SEC, and the Company shall have filed with the SEC in a timely manner all reports, notices and other documents required under the Exchange Act and applicable SEC regulations during the twelve-month period immediately preceding the applicable Condition Satisfaction Date.
- (c) Authority. The Company shall have obtained all permits and qualifications required by any applicable state for the offer and sale of all the Subordinate Voting Shares issuable pursuant to such Advance Notice or shall have the availability of exemptions therefrom. The sale and issuance of such Subordinate Voting Shares shall be legally permitted by all laws and regulations to which the Company is subject.
- (d) No Material Outside Event. No Material Outside Event shall have occurred and be continuing.
- (e) Board. (I) The board of directors of the Company has approved the transactions contemplated by the Transaction Documents, (II) said approval has not been amended, rescinded or modified and remains in full force and effect as of each applicable Condition Satisfaction Date, and (III) a true, correct and complete copy of such resolutions duly adopted by the board of directors of the Company shall have been provided to the Investor.
- (f) Performance by the Company. The Company and the Investor shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the applicable Condition Satisfaction Date.
- (g) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits or materially and adversely affects any of the transactions contemplated by the Transaction Documents.

- (h) No Suspension of Trading in or Delisting of Subordinate Voting Shares. (I) Trading in the Subordinate Voting Shares shall not have been suspended by the SEC, the Principal U.S. Market or FINRA, (II) the Company shall not have received any final or non-appealable notice that the listing or quotation of the Subordinate Voting Shares on the Principal U.S. Market shall be terminated on a date certain (unless, prior to such date certain, the Subordinate Voting Shares are listed or quoted on any subsequent Principal U.S. Market), nor shall there have been imposed any suspension of, or restriction on, accepting additional deposits of the Subordinate Voting Shares, electronic trading or book-entry services by DTC with respect to the Subordinate Voting Shares that is continuing, and (III) the Company shall not have received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the Subordinate Voting Shares, electronic trading or book-entry services by DTC with respect to the Subordinate Voting Shares is being imposed or is contemplated (unless, prior to such suspension or restrictions, DTC shall have notified the Company in writing that DTC has determined not to impose any such suspension or restriction), and (IV) all of the Subordinate Voting Shares issuable pursuant to the applicable Advance Notice shall be eligible for deposit at the brokerage account provided by the Investor for the delivery of such Subordinate Voting Shares.
- (i) Authorized. All of the Subordinate Voting Shares issuable pursuant to the applicable Advance Notice shall have been duly authorized by all necessary corporate action of the Company. All Subordinate Voting Shares relating to all prior Advance Notices required to have been received by the Investor under this Agreement shall have been delivered to the Investor in accordance with this Agreement.
- (j) Executed Advance Notice. The representations contained in the applicable Advance Notice shall be true and correct in all material respects as of the applicable Condition Satisfaction Date.
- (k) Consecutive Advance Notices. Except with respect to the first Advance Notice, the Company shall have delivered all Shares relating to all prior Advances.
- (l) Other Agreements. The Company shall not have materially breached or failed to observe any material term of any debenture, promissory note, or other instrument held by the Investor in the Company or any other agreement between or among the Company and the Investor.
- (m) Material Non-Public Information. Neither the Company nor the Investor shall be in possession of any material non-public information regarding the Company and the Company shall not be in blackout under its insider trading policy.

**EXHIBIT A
ADVANCE NOTICE**

XANADU QUANTUM TECHNOLOGIES LIMITED

Dated: _____

Advance Notice Number: _____

The undersigned, _____, hereby certifies, with respect to the sale of Subordinate Voting Shares of XANADU QUANTUM TECHNOLOGIES LIMITED (the "Company") issuable in connection with this Advance Notice, delivered pursuant to that certain Standby Equity Purchase Agreement, dated as of [_____] (the "Agreement"), as follows (with capitalized terms used herein without definition having the same meanings as given to them in the Agreement):

1. The undersigned is the duly elected _____ of the Company.
2. There are no fundamental changes to the information set forth in the Registration Statement which would require the Company to file a post-effective amendment to the Registration Statement.
3. The Company has performed in all material respects all covenants and agreements to be performed by the Company contained in the Agreement on or prior to the Advance Notice Date. All conditions to the delivery of this Advance Notice are satisfied as of the date hereof.
4. The number of Advance Shares the Company is requesting is _____.
5. The number of Subordinate Voting Shares of the Company outstanding as of the date hereof is _____.
6. The Minimum Acceptable Price with respect to this Advance Notice is _____ (if left blank then no Minimum Acceptable Price will be applicable to this Advance).

The undersigned has executed this Advance Notice as of the date first set forth above.

XANADU QUANTUM TECHNOLOGIES LIMITED

By: _____
Name: _____
Title: _____

Please deliver this Advance Notice by email to:

Email: Trading@yorkvilleadvisors.com
Attention: Trading Department
Telephone: 201-985-8300

EXHIBIT B
FORM OF SETTLEMENT DOCUMENT

VIA EMAIL

XANADU QUANTUM TECHNOLOGIES LIMITED

Attn: [●]

Email: [●]

	Below please find the settlement information with respect to the Advance Notice Date of:	
1.a.	Number of Subordinate Voting Shares requested in the Advance Notice	
1.b.	Volume Threshold (Number of Subordinate Voting Shares in (1.a.) divided by 0.30	
1.c.	Number of Subordinate Voting Shares traded during Pricing Period	
1.d.	Reduced Advance pursuant to <u>Section 2.01(d)</u> (as applicable)	
2.	Market Price	
3.	Purchase Price (Market Price x 97.50%) per share, provided that if such price is less than the TSX Minimum Price, "Purchase Price" shall mean the applicable TSX Minimum Price	
4.	Number of Advance Shares due to the Investor	
5.	Total Purchase Price due to Company (row 3 x row 4)	

Please issue the number of Advance Shares due to the Investor to the account of the Investor as follows:

INVESTOR’S DTC PARTICIPANT #:

ACCOUNT NAME:
ACCOUNT NUMBER:
ADDRESS:
CITY:
COUNTRY:
CONTACT PERSON:
NUMBER AND/OR EMAIL:

Sincerely,

YA II PN, LTD.

Agreed and approved by

XANADU QUANTUM TECHNOLOGIES LIMITED

Name: _____
Title: _____

Xanadu Announces \$300 Million Synthetic At-The-Market Program

Toronto, ON | May 21st, 2026 /CNW/ -- Xanadu Quantum Technologies Limited (“Xanadu” or the “Company”; Nasdaq/TSX: XNDU), a leading photonic quantum computing company, today announced that it has entered into a synthetic at-the-market equity facility for up to \$300 million (the “Program”) with YA II PN, Ltd. (“Yorkville Advisors”). The Company intends to use the net proceeds, if any, for working capital and general corporate purposes.

The Program provides Xanadu with the ability, but not the obligation, to issue and sell to Yorkville Advisors up to \$300 million of its Class B subordinate voting shares in private placements over a term of three years, subject to certain limitations and conditions in the Standby Equity Purchase Agreement between Xanadu and Yorkville Advisors dated May 20, 2026 (the “SEPA”). The Company expects to access the Program opportunistically, based on prevailing market conditions and valuation levels it believes to be favorable to shareholder value.

Any net proceeds from the Program will be received directly by the Company. The Program consists exclusively of treasury offerings by the Company, with no secondary sales by existing shareholders. In connection with the launch of the Program, the Company plans to file a registration statement on Form F-1 with the U.S. Securities and Exchange Commission (the “SEC”), to qualify the re-sale of shares issued pursuant to the Program by Yorkville Advisors in accordance with applicable U.S. securities laws.

“The Program will provide us with efficient and flexible access to capital as we continue scaling and executing on our long-term roadmap towards fault-tolerant quantum computing,” said Michael Trzupek, Chief Financial Officer of Xanadu. “Our objective is to strategically and prudently tap the equity market to enable us to remain well-positioned to fund our growth strategy.”

A copy of the SEPA will be filed with the SEC (www.sec.gov) and the Canadian Securities Administrators (the “CSA”) (www.sedarplus.com). The descriptions contained in this press release are summaries only, do not purport to be complete, and are qualified in their entirety by reference to the agreement furnished as an exhibit to the Company’s Form 6-K filed with the SEC as of this date.

This press release does not constitute an offer to sell or the solicitation of offers to buy any securities of Xanadu, and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About Xanadu

Founded in 2016, Xanadu is a Canadian photonic quantum computing company with the mission to build quantum computers that are useful and available to people everywhere. Xanadu is building fault-tolerant quantum computers using light, with systems designed to compute at room temperature. Backed by more than \$500 million USD in historical funding, Xanadu develops both hardware and software, including PennyLane, its open-source quantum computing platform. Xanadu is the first pure-play photonic quantum computing company to list on public markets (Nasdaq/TSX: XNDU) and is recognized globally for its breakthroughs in scalable quantum technologies. Visit xanadu.ai or follow on X [@XanaduAI](https://twitter.com/XanaduAI).

Contacts

Press Contact:

press@xanadu.ai

Investor Relations:

investors@xanadu.ai

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the U.S. federal securities laws and “forward-looking information” within the meaning of applicable Canadian securities laws (collectively, “forward-looking statements”). Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. We have based these forward-looking statements on current expectations and projections about future events. These statements include: the Program, including its size, the intended use of net proceeds therefrom, expected benefits thereof; the filing of a resale registration statement on Form F-1; the Company’s ability to continue scaling and executing on its long-term roadmap towards fault-tolerant quantum computing and the Company’s objective to strategically and prudently tap the equity market to fund its growth strategy.

These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions, many of which are beyond the control of Xanadu. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause the Company’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such statements.

Such risks and uncertainties include: that Xanadu is pursuing an emerging technology, faces significant technical challenges and may not achieve commercialization or market acceptance; Xanadu’s historical net losses and limited operating history; Xanadu’s expectations regarding future financial performance, capital requirements and unit economics; Xanadu’s use and reporting of business and operational metrics; Xanadu’s competitive landscape; Xanadu’s dependence on members of its senior management and its ability to attract and retain qualified personnel; the potential need for additional future financing; Xanadu’s ability to manage growth and expand its operations; potential future acquisitions or investments in companies, products, services or technologies; Xanadu’s reliance on strategic partners and other third parties; Xanadu’s concentration of revenue in contracts with government or state-funded entities; Xanadu’s ability to maintain, protect and defend its intellectual property rights; risks associated with privacy, data protection or cybersecurity incidents and related regulations; the use, rate of adoption, and regulation of artificial intelligence and machine learning; uncertainty or changes with respect to laws and regulations; uncertainty or changes with respect to taxes, trade conditions and the macroeconomic environment; material weaknesses in Xanadu’s internal control over financial reporting and the Company’s ability to maintain internal control over financial reporting and operate as a public company; the outcome of any legal proceedings or government investigations that may be commenced against Xanadu; failure to realize the anticipated benefits of the business combination with Crane Harbor Acquisition Corp.; the Company’s ability to issue equity or equity linked securities in the future; risks related to the Program, including the potential for substantial dilution to existing shareholders resulting from the issuance of Class B subordinate voting shares thereunder, the risk that sales of such shares or the perception that such sales may occur, could cause the price of the Company’s Class B subordinate voting shares to decline; and other factors described in the Company’s filings with the SEC and the CSA, which factors are incorporated by reference herein. These forward-looking statements are based on certain assumptions, including that none of the risks identified above materialize; that there are no unforeseen changes to economic and market conditions, and that no significant events occur outside the ordinary course of business. Additional information concerning these and other factors that may impact such forward-looking statements can be found in filings by the Company with the SEC and the CSA, including under the heading “Risk Factors.” If any of these risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. In addition, these statements reflect the expectations, plans and forecasts of Xanadu’s management as of the date of this press release; subsequent events and developments may cause their assessments to change. While Xanadu may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so, unless required by applicable securities laws. Accordingly, undue reliance should not be placed upon these statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this press release, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.
